

InfoNet

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Final Session Report — Issue #9

In just ten short hours, the Legislature defied popular belief and finished up their special session work on Tuesday evening, June 19. This was only the 20th special session since Iowa's statehood in 1846. The last special session was in 1992, when the Legislature was forced to increase the state's sales tax by a penny and create the budgeting system we have in place today.

There was certainly more accomplished this special session than originally anticipated. Driven by the need to return to pass the second version of the new Redistricting Plan, legislators used the extra month they had before returning to negotiate deals on two key legislative items they were unable to reach agreement on during the heat of the session. And, not surprisingly, they picked up a couple other issues at the same time.

☞ **Electric Power Generation Plant Siting** — The Governor, legislators, utility companies and consumer advocates reached an agreement in an effort to encourage utility companies to build a new electric power generation plant in Iowa. Iowa's last plant was built over twenty years ago, and Iowa's demand for energy is expected to begin to exceed its generating capacity within the next five years. To avoid rolling black-outs and the energy shortages California is experiencing, and to make sure the state does not repeat the California experience, state lawmakers worked together to create a bill that consumers and power companies could both accept.

The original legislation included provisions on purchasing power that some consumer groups called a back door attempt at electric deregulation, something consumer advocates say could eliminate protections that keep costs down now. To keep the peace and move forward to head off future energy shortages, the Governor and lawmakers agreed to pass the bulk of the bill, stripping out the controversial power purchase, renewable energy and energy efficiency provisions. Lawmakers agreed they would be back next session with a bill to implement those portions after further study and negotiation.

☞ **Workforce Development Centers** — During session, the plant siting bill and a bill extending the funding for Iowa's 56 rural and satellite workforce centers were stalled in the Senate after philosophical differences between the Republicans and Democrats ended negotiations. However, during special session, both bills passed without much discussion at all. Iowa's rural and satellite workforce development centers, which provide a wide array of one-stop services to workers and businesses alike, are currently paid for with an administrative surcharge paid

by private employers on a per-employee basis. This surcharge, which was first enacted in 1986, was set to sunset on June 30, 2001. It has been extended four times since enactment, with three and four year extensions each time.

Lawmakers, lead by Senate Majority Leader Stew Iverson, have disputed the need for so many of these centers. Sen. Iverson and others who opposed extending this surcharge that generates a little over \$7 million each year say it is an unnecessary business tax that should be eliminated and replaced with general fund appropriations that fund fewer centers. The compromise didn't seem to satisfy anyone, but it ensured the majority of the centers would stay open. The compromise language extended the employment security administrative contribution surcharge until July 1, 2003, but caps the overall funds generated at \$6.525 million. It states that no employer will pay more than \$7 per employee to keep these centers open.

Sen. Iverson successfully offered an amendment to ensure accountability and collect information that will be essential to making a long-term decision on this issue. The Iverson amendment requires IWD to conduct an annual review of the rural and satellite offices which must track the number of individuals served at each site, services rendered, number of businesses served, number of applications completed, and average wages and benefits of individuals placed. IWD is to prepare and submit an annual report of the findings by December 21.

The bill also requires IWD to consider the feasibility of consolidating some of the rural and satellite departmental offices. Sen. Iverson continued to express doubt over the need for these centers. Iowa is required by law to have one center in each of its service areas, which would mean 16 centers must stay open to meet federal requirements. Sen. Iverson said the legislature would look at future closings based on use patterns, while ensuring that every Iowan was within 50 miles of a center.

- ☞ **State Tax Exemption for Federal Tax Rebate** — President Bush signed his federal tax cut legislation into law last month, sending out \$300 checks to most single taxpayers and \$600 checks to most married taxpayers. This was one of the key efforts of the Bush Administration, to give back some of the excess funds the federal government had collected over the years. Under Iowa law, federal tax refunds are taxable as earned income. Lawmakers agreed Iowans should keep the full amount of the tax rebate, so they moved quickly to exempt this one-time tax refund from state taxes. Preliminary estimates indicate the rebate plan would distribute roughly \$38.2 billion nationally, with Iowa taxpayers receiving \$404.9 million of that amount. By exempting these refunds from state taxes, Iowans save an estimated \$20.2 million.
- ☞ **Fast Track Trade Authority** — Although legislators said they would only address a few bills this special session, it did not stop the Iowa Farm Bureau and pro-trade advocates from passing a Senate Resolution in support of free trade and renewing the President's authority to negotiate trade agreements without Congressional approval, called Fast Track. The House did not bring up the resolution.
- ☞ **Parking Garage** — Lawmakers didn't go away from the special session without some battles. However, the battles were not over the controversial bills discussed earlier, but over changes to an agreement with a private developer building the state's new parking garage. Under the

legislation passed, the state was given the authority to recoup nearly \$2.5 million already spent on the project in exchange for the private developer building the parking structure, a hotel and an 80,000 square foot office building, and leasing the office space and a portion of the parking back to the state for less than was originally appropriated for the parking structure.

Many legislators say they are pleased with this plan, and say it will help the downtown East Gateway develop more green space. Opponents say a project this size should have gone out for public bid and say it looks like a “sweetheart deal.”

Session Reflections

This session was characterized by a high degree of political contention, fueled by an economy that was slowing down and driving the need for \$31.7 million in general fund cuts below the current year’s spending level. Overall state spending growth (including all sources of funding) was held at .5% this year, the lowest increase in at least 30 years.

When all was said and done, the Legislature spent \$4.847 billion in general fund dollars. Prior to Governor’s vetoes, this left the general fund with a \$66 million ending fund balance for FY 2002. Because the Governor was able to veto some of the cuts, an additional \$15.2 million was restored to spending.

To recap, here are some of the things the legislature accomplished this year:

- 👉 Gave \$100 million in tax relief for utility consumers by removing the sales tax on utility bills for two months during the winter (\$10 million) and gradually phasing out the sales tax entirely (\$90 million).
- 👉 Gave a \$40 million boost to beginning teacher salaries, but borrowed it from tobacco dollars.
- 👉 Provided Safe Haven alternatives, where a woman can leave her newborn infant without fear of prosecution for abandonment or neglect.
- 👉 Added criminal charges of child endangerment against live-in boyfriends and others who share the child’s home.
- 👉 Required the Legislature to review the child abuse reporting system.
- 👉 Mandated prescription drug insurance plans to issue uniform prescription drug cards that are consistent with national models.
- 👉 Started the process of securitizing Iowa’s tobacco settlement, created a trust fund, and appropriated funds for a variety of health-related programs. This means Iowa will use bonding to secure its share of the tobacco settlement up-front, allowing Iowa to profit from the interest and create a more self-sustaining fund that reduce the reliance on funding sources that will eventually end.
- 👉 Directed the Department of Elder Affairs to develop a system of oversight for Adult Day Care services.
- 👉 Encouraged Iowa’s congressional delegation to become members of the Coalition for Autism Research and Education.
- 👉 Changed mental health services fund language to allow more counties to access the per capita equalization fund by moving the criteria for receiving money from the fund from the 75th percentile to the 100th percentile.

- ☞ Focused the different pools of funds in the mental health services fund and eliminated the Incentive and Efficiency Pool, which never had enough money to make it worth a county's while. These funds are merged into the overall funding pool for mental health services.
- ☞ Forgave all county disputed mental health billings made prior to July 1, 1997. There are currently approximately \$12 million in disputed billings from DHS and the counties, some dating back to the 1980's.
- ☞ Made DHS directly responsible for county billings and takes the third party (Department of Revenue and Finance) out of the middle, something DHS believes will take care of future billing discrepancies.
- ☞ Required DHS to accept any nationally recognized accrediting bodies for the Adult Rehabilitation Option. Currently, DHS will only accept Commission on Accreditation of Rehabilitation Facilities (CARF), making it impossible for some organizations to receive money under the option. CARF primarily accredits MR service providers, establishing a precedent that requires MI service providers to apply for accreditation for MR services, even if they have no intention of providing those services. It is also costly and time consuming for the provider to undergo multiple accreditations. This section acknowledges CARF, the International Center for Clubhouse Development, the Council on Quality and Leadership Supports for People with Disabilities, the Joint Commission on Accreditation of Health Care Organizations, and any other nationally recognized accrediting body.

The Legislature also recognized several Iowans with disabilities this year through resolutions. They include Nick Ackerman, the recent Colfax-Mingo graduate that is a championship wrestler and a double amputee, and Theresa Uchtyl, the first Miss Iowa with a disability. The Legislature also recognized Nancy Coover Andreasen, the University of Iowa Psychiatry Chair and editor of the American Journal of Psychiatry.

There are quite a few issues legislators could not come to agreement on this year. However, because the legislature meets in two-year cycles, all these bills are eligible for debate next year. These include efforts to:

- Enact mental health and substance abuse parity, so that insurance companies would have to pay for the costs of these services as they currently pay for physical health services.
- End the tax on social security income (\$48 million price tag).
- Make comprehensive changes to the child protection system, including the recommendations from the Ombudsman study and the more recent Humane Association review.
- Expand the state's bottle bill (an effort backed by three Governors, two Republicans, and one Democrat).
- Control property taxes by capping growth in county budgets.
- Increase speed limits.
- Decrease blood-alcohol limits.
- Declare English as the state's official language.
- Truly address the systemic issues with mental health services funding.

There a few things you might expect to see popping up again next year. These include another attempt at controlling property taxes by capping growth in county and city budgets. This is

significant because a number of county and city services are funded through discretionary funding, including library services. Public health programs are another area local communities feared would not be funded adequately under a limitation of this nature.

Republicans from both chambers are fighting over whether to change the local option sales tax to a statewide sales tax. Currently, urban areas are the only areas able to generate enough sales to turn the extra penny into school improvements. Rural legislators say that is not fair and want to make the change so money can be distributed more equitably. Urban legislators with current local option sales taxes want their areas protected from revenue loss under any change. It is widely believed this legislation will come up again next year, but it will be an election year, and election year politics could turn this into a “tax increase” that no one wants to run on. Some rural communities are threatening legal action if the state does not act next year.

Things to watch next year are an increasing desire to divert tobacco dollars from their original purpose, state government reorganization efforts this summer could make significant changes in how services are delivered, and another attempt to pass mental health and substance abuse parity.

Governor Signs, Vetoes Parts of Budgets

It was a tough session money-wise and policy-wise. If politics didn't dominate discussions, it certainly stifled them. There really is no one person to blame, it is the nature of the system at this particular moment in time. Unfortunately, this led to many policy discussions becoming polarized and labeled a “Democratic” or “Republican” issue. At the center of the budget controversy was the Human Services Budget. Whenever cuts are made, the Education and Human Services budgets seem to feel it the most. Together, they make up the bulk of the state's budget, and they are both high priorities to Republicans and Democrats alike.

That makes any budget year with cuts difficult. This year, lawmakers said they were going to cut the bureaucracy, not services. They proceeded to make huge cuts in the DHS budgets for administration, and eliminated the regional offices. Critics of this move say this was based on faulty assumptions. First, people are services when it comes to human services. Second, there was no real understanding of the role of regional offices, and therefore, this reorganization effort was done prematurely.

Supporters of this move say it was a difficult budget year and difficult choices had to be made. They indicate it is naïve for a department to say they can not make cuts in their bureaucracies to achieve savings. No matter what philosophical approach you take to budget cutting, one thing is certain. Persons served by the Department of Human Services will begin to feel the budget cuts this year, and they are unlikely to be for one year only.

The Governor reluctantly signed, after making a number of line-item vetoes, the DHS Budget. He was highly critical of legislators for passing on a budget that he referred to as “a cruel hoax on Iowans.” Below is an analysis of the Governor's vetoes.

The DHS Budget was reduced by \$19.4 million below the Governor's revised recommendation, and \$7.5 million below the current fiscal year. The Governor was “deeply saddened that HF 732 is the best that the Legislature was willing to enact...The Legislature purports to provide additional resources to help abused children, but the reality is that funding for child protection services is

reduced. It allocates an additional 75 social workers to the department, giving the appearance that they were serious about addressing the need to have adequate staffing to protect children. However, the total number of staff allotted to the department to work on child protection and to provide services that help strengthen families is reduced.” The Governor goes on to reinforce his commitment to reforming and reorganizing government, but says this should not be done in piecemeal fashion.

- ✕ \$500,000 appropriation from TANF (Temporary Assistance to Need Families) funds for a new “Marriage Matters” initiative. These funds were taken from child care. The Governor said he was “unable to justify beginning a new program when the state has a waiting list for people who need child care assistance.” The Governor did leave the Marriage Matters Initiative Grant Fund in the bill, in the event federal dollars become available for such a program.
- ✕ Language that proposed that the Drug Utilization Review Commission look at the use of non-sedating antihistamines. The Governor indicated the Review Commission already has this charge, and further review “would not be productive.”
- ✕ Requirement that DHS report on actual costs of providing coverage for each insurer participating in HAWK-I. The Governor indicated this would be too time-consuming at a time when their funding was cut.
- ✕ Directive that DHS seek a federal waiver to permit families eligible for Medicaid to opt into HAWK-I. The Governor indicated this same language had been submitted to the federal government and rejected. The Governor said that “until such time as the federal statute changes, it would be pointless to continue to spend staff time with this directive.”
- ✕ Submission of a plan on relocating males currently at the Toledo Juvenile Home to other facilities, making Toledo a female-only institution. The Governor indicated this language had appeared in budget bills for three years, but the Legislature has failed to appropriate dollars to make it happen. The Governor cited this lack of funding as the reason for his veto.
- ✕ Requirement that DHS seek input and recommendations from legislators prior to entering into or extending a managed care contract for mental health or substance abuse services. The Governor said this language is unnecessary.
- ✕ Elimination of the requirement that social workers with accredited four-year degrees have two years of full-time social work experience before providing rehabilitative treatment services under Medicaid for children in therapeutic foster care. This change was already in process at DHS, so the Governor vetoed the language as unnecessary.
- ✕ \$700,000 allocation for day treatment and aftercare services for juvenile females. The Governor expressed support for these services to both males and females, but said DHS is already allocating funds for these services at the local level (through decategorization).
- ✕ Requirement that DHS move forward in moving funding into the adult decategorization pilot program for adult MH/MR/DD services. The Governor cited his support for this four-county pilot, but expressed concern about DHS’ resources to move forward. The Governor said that, while this process may create a better system and he believes it may have merit, “the department simply does not have the resources to staff this endeavor. It must put its resources

where it will benefit all 99 counties.” This pilot allows funding streams to be decategorized, or merged into one pot of money, and directed toward the needs of persons with disabilities. It fits the services to the people, rather than the people to the services offered by different programs.

- ⌘ \$2.5 million reduction in DHS’ appropriation to eliminate their regional offices. The Governor disputed this action, saying there was no reduction in DHS’ duties, and that the duties must still be done with significantly fewer people. The Governor pointed out that “under this proposal, the duties currently being done by regional office staff must now be done at the local level. This not only sets up a potentially less efficient system, but it will also reduce the amount of time that local workers have to work with families and to protect children.” The Governor expressed support for reorganizing government, but doing it in a way that ensures the best results for Iowans.
- ⌘ Language requiring DHS to expand the community partnership approach to child protection services, and to work to secure additional federal funding. The Governor indicated these activities were already taking place and were therefore unnecessary.
- ⌘ A study on the pay disparity between state and private child welfare workers. The Governor again cited the need for DHS to do additional work, with reduced funding, as the reason for the veto.
- ⌘ Requirement that DHS increase its efforts to collect pharmaceutical manufacturer rebates in order to meet the national average. The Governor pointed out that “based on industry data, the state is already collecting 99.1% of the national average.”
- ⌘ Language that encourages the greater use of generic drugs by increasing the co-pay for brand name drugs. Based on claims paid for the previous six months, 54% of the prescriptions paid by Medicaid are for generic drugs, 41% are for brand name drugs for which there is no generic equivalent, and 4.7% are for brand name drugs where the prescribing authority had directed that they are medically necessary. The Governor said the bottom line is “ this proposal increases fees for Iowa seniors, children and people with special needs who do not have other choices besides using a brand name drug.”
- ⌘ Requirement that a maximum allowable cost list for prescription drugs be established. The Governor expressed support for this item, but said he thought it too ambitious. The Governor has instructed DHS to pursue implementation of this proposal and look at the viability of the dates and savings outlined.
- ⌘ Language requiring DHS to work with the state of Nebraska to utilize the services and facilities in both states. Nebraska residents would be able to utilize the Glenwood State Resource Center, and Iowa residents would benefit from Omaha’s child protection center.

Rep. Dave Heaton, the Mt. Pleasant Republican who chairs the human services budget subcommittee, reacted to the Governor’s veto messages. “We’ve said all along this is a choice between bureaucrats and services to Iowa’s children and seniors. The Legislature chose to put our kids and parents first. Unfortunately, the Governor and DHS have again put the Hoover Building bureaucrats first,” said Heaton.

Heaton went on to say the veto of the shared services with Nebraska was unfortunate, noting that DHS appeared to be excited by the proposal. Heaton indicated “the people of Nebraska would like to place their special needs children at the Glenwood Resource Center and we thought it would be beneficial for western lowans to be able to utilize Omaha’s child protection center. It’s beyond me why anyone would oppose this at a time of tight budgets.”

One thing that is important to note, Republican lawmakers are saying this is only the beginning. Rep. Heaton leveled the following challenge, “We have heard from a number of local DHS staff that we were on the right course by eliminating the regional offices. I guess the Governor is not interested in restructuring DHS. I can promise you that when the legislature convenes in January, legislative Republicans will have a restructuring plan for DHS that goes well beyond regional offices.”

Facts on the Cuts to DHS Administration

There is a great deal of confusion surrounding the cuts made to DHS administration. Part of the confusion comes when comparing budgets – some compare the final budget for this year to the current year’s budget, while others are comparing it to the Governor’s original or revised budget figures. This has all led to confusion, in addition, there were a number of new staff authorized within the department, but legislators failed to appropriate state funds for those staff. In the legislative budgeting process, lawmakers approve both appropriation levels as well as authorize the number of staff a department may have in a particular division or for a particular program. These are measured in “full time equivalents” or FTEs. That means full and part-time staff are factored into this overall number.

- ☞ DHS Field Operations was reduced by \$7.7 million this year. This is below the Governor’s revised budget. When comparing this reduction to the current fiscal year, it is a \$1.6 million cut. The Governor’s revised budget called for 2,250 FTEs, but the final appropriation cuts 147 of these FTEs, reducing the total number to 2,103. However, this is an increase of 207 authorized (not necessarily funded) FTEs over the current fiscal year
- ☞ The Governor’s revised budget included state dollars for an additional 94 FTEs (45 line supervisors, 49 line social workers). No state dollars were recommended for the 49 line workers, but allowed DHS to leverage federal dollars to fund these staff. The bill provided no state funding for any of these 94 staff, but allowed DHS to leverage federal dollars to pay for the whole lot. While authorizing the staff, the budget was cut \$3 million.
- ☞ The Governor’s revised budget also funded 154 staff at the Regional Offices. The Legislature’s budget cuts 54 of these staff and eliminates the Regional Offices, transferring all remaining essential staff to county clusters.
- ☞ DHS’ general administration budget was decreased by \$2.4 million (16.3%). These funds are used to pay for the state office operations. The budget underfunds staff salary increases for general administration, field offices, and institutions by \$1.2 million (13%).

Mental Health Reform Bill Misses Mark

Since the beginning of the Key Coalition that was formed to inform the public about the need to reform and equalize state and county funding for MH/MR/DD services, there has been a good deal of confusion about how the state should proceed. The landmark legislation enacted in Senate File 69 several years ago helped to bring many consumers, providers, and government agencies together to talk about providing better services to persons with disabilities.

Unfortunately, the system is looking like it needs to be reformed again as funding has once again gotten out of whack. In addition, the system put together during the reform years needs to be restructured. The State-County Management Committee has developed several recommendations that the Legislature has failed to act upon. Despite a bill that made some changes needed to make the system work better in this year of cuts, there are several items it did not address, and will need to be addressed during the interim and in the next session.

- ☞ This year the Legislature chopped funding for mental health services, acting on a recommendation put forth by Governor Vilsack. This came about because some counties are carrying large ending fund balances. For years, this has been the excuse legislators use in failing to provide adequate increases in MH/MR/DD funding. They point to the handful of counties that are either not providing many services, are over-taxing or are extremely efficient. The trouble is, it is difficult to say what is causing a large fund balance, and it is a different situation in every county. The Legislature has said a 25% ending fund balance is acceptable. This year's budget cut holds counties with less than a 15% ending fund balance harmless, while minimizing the impact on those between 15-25%.
- ☞ The Legislature needs to address how to make sure ending fund balances do not build back up after requiring counties to spend them down this year before accepting state funding. Legislators want to know how to do that, without providing an incentive to be inefficient or spend money without good planning.
- ☞ The Legislature will also need to look at how it can begin to equalize the services provided across Iowa's 99 counties. Legislators want local control and communities love their locally-run mental health system, but it leaves the opportunity for 99 different systems with 99 different sets of services. The Legislature will need to begin to look at how it can assure a minimum set of services and encourage communities to serve more than those populations mandated.

Here are some basic facts:

1. Senate File 69 set out to create a partnership between counties and the state in funding MH/MR/DD services. The goal was to have counties and the state funding MH/MR/DD services on an equal, 50-50, basis.
2. Every year the Legislature increases mental health funding by 2-3%, or at about the rate of inflation. This is called "allowable growth." Because counties budget before the legislative session begins, and their budgets must be certified by March of each year, the Legislature determines the allowable growth factor two years in advance. For instance, this year the Legislature appropriates the dollars for the fiscal year 2002 (July 1, 2001 – June 30, 2002), but the amount of the growth was decided back in the 2000 legislative session. This year, the Legislature is to establish the allowable growth for fiscal year 2003 (July 1, 2003 – June

30, 2004), but the funds will not actually be appropriated until next legislative session (2002).

3. One more thing to note before outlining what happened this year. The allowable growth fund is cumulative. The funds in the allowable growth fund are the growth dollars allocated since 1997. The Legislature keeps adding to that pot every year. For example, counties were to receive about \$6 million in allowed growth funds this year. The allowed growth fund would grow from \$20 million to \$26 million this year. That is, if we didn't take a cut, and that is exactly what happened. The Allowed Growth Fund took a cut that basically sets growth back to 1997 levels. Here is what happened:
 - Reduces the FY02 mental health growth factor by \$17,159,591 (rolling what was to have been a \$26 million appropriation to \$9,333,121).
 - This was done to force certain counties with large ending fund balances to spend down their mental health fund reserves. These counties are taxing and receiving money from the state, but are not spending it on services to persons with disabilities.
 - To spread these cuts out fairly, so counties that are levying at their maximum, keeping only what is necessary for cash-flow in their reserves, the Legislature came up with an elaborate formula.
 - The language holds any county with 15% or less in reserves harmless from the cuts (they will have no dollars withheld from their expected allowable growth). Counties with 15-25% ending fund balances will receive 87.2% of what they expected; counties with 25-35% will receive 65% of what was expected; and counties with 35-45% will receive 32.7% of what they expected. Counties with higher MH/MR/DD fund balances will not receive allowable growth dollars.
 - DHS is authorized to reallocate the cuts as necessary (because numbers are based on estimates for FY01, not actuals), but instructs them to hold those counties under 15% absolutely harmless. That means, regardless of what happens, those with fund balances less than 15% will not have their growth dollars cut.
 - In addition, the bill moves up allowable growth payments from September and March to July and January. This is expected to help counties with cash-flow needs while spending down ending fund balances.
 - The FY02 allowable growth factor of \$26,492,712 was passed in the 2000 legislative session, but the appropriation made this year for the allowable growth falls short. The general belief is that counties must spend down their ending fund balances, but this is a one-time cut. Counties can only spend their balances once – after that, further cuts will have to result in service cuts.
 - The bill also increases the amount of funds going into the per capita expenditures pool by \$2 million, eliminates the incentive and efficiency pool (which was never used), and decreases the risk pool expenditure from \$2 million to \$394,716.

- The Legislature is only authorizing a \$14.5 million allowable growth appropriation for FY03. These ending fund balances can not be spread to another year, but legislators say they will revisit this again next year and are just being cautious.
- Lawmakers plan to reconvene the MH/MR/DD Restructuring Task Force to review the mental health system and look at what changes need to be made to make sure counties do not begin to sit on balances again, that efficiencies are encouraged and that there is more consistency in service statewide. It's a big topic – one that likely will not be solved this summer, but one thing does need to be addressed this summer.

A word of caution — legislators showed their intent for FY03 mental health funding this year – and it was well below the needed restorations. The county budget spend-down is a one-time solution, it will not carry forward into FY03.

While certainly some counties will feel the crunch over the next year, it will be nothing compared to what will happen if county budgets are spent down and funding is not restored. *Without FULL restoration of the cuts, services will be cut.*

Now is a terrific time to let your legislators know what issues are important to you. Whether mental health parity or full funding for county MH/MR/DD services, it is important that you let your legislators know. Here are a few tips:

1. Always treat your legislators with respect, even if they are disagreeing with you. Your relationship with your legislator needs to be civil and mutually respectful. You can of course let them know you disagree and explain why, and it is okay to *respectfully disagree*. Getting into fights with your legislators will only serve to lock you out of the policy process. Remember, you might disagree with your legislator on one issue, but s/he may agree with you on another and work hard to help you on it.
2. Now is a great time to drop your legislators a hand-written (if possible) note, or personal note done on the computer. You don't have to be fancy, in fact, share your story and let them know you want to help them in developing strong disability policies in the state.
3. Plan to meet once with your legislators face-to-face this summer. If you are nervous about this, invite some friends and meet your legislators for coffee at the local café, or invite them to your home for an informal discussion. Remember, legislators will be just as nervous meeting with you (the experts!) as you will be with them.
4. Meet with both your current legislators, and those that will be your new legislators under the new redistricting plan. You can access this plan and all the maps at www.legis.state.ia.us. The "legislator finder" service at this web site will only tell you who your current legislator is, not who your legislator will be after the next election cycle. This may be the same person, or it may be an open seat and you have no idea who will run. If you do have a new legislator, just let them know you will be a constituent under the new plan and you wanted to get to know him/her.

5. Have some fun. Advocacy should not be boring. Think of fun activities. For instance, if you are a member of your local ARC chapter, help them plan a picnic or barbeque for the association members and invite all the legislators in your area.

Special Notes

This interim, Iowans have a unique opportunity to impact policy. Legislators will be even more interested in constituent service, as they prepare to run in an uncertain new legislative district. It is nearly impossible to get the same type of reception during session as you can during the interim.

1. Send a thank you note to your legislators, letting them know you appreciate everything they did in this tough budget year to address your issues. Remember to thank the Governor too.
2. Contact your legislators some time this summer and have a cup of coffee with them. Let them know the issues that are most important to you.

The Legislative Council met on Wednesday and authorized 10 studies. These include:

- ☞ **Child Abuse Reporting Study Committee (3 Senators, 3 Representatives, 2 meeting days)**
This committee is to study the creation of a statewide central intake unit by DHS for receiving child abuse reports and address other issues associated with the state's child protection system. The study committee is authorized to use national experts in its deliberations, and include individuals who are knowledgeable about child protection and prevention of child abuse, and other interested persons, such as representatives from DHS, juvenile court and juvenile court services, Department of Justice, Citizen's Aide, county attorneys, guardians ad litem, child advocates, and critics of the child protection system.
- ☞ **Health Insurance Market Study Committee (3 Senators, 3 Representatives, 2 meeting days)**
This group is to review the current status of the health insurance market in Iowa with regard to multiple employer welfare arrangements, and whether or not additional arrangements should be permitted to operate in this state. The study is to include a review of the regulatory oversight of all health insurance products sold in Iowa, particularly organized delivery systems, multiple employer arrangements, self-funded health programs, workers compensation, conditions of the health insurance market, required assessments for the state's reinsurance pool, and participation in state supported health coverage products such as the HAWK-I program and its managed care component. The group is to engage representatives from the Insurance Division, insurance industry, business community and other interests.

The Legislative Council also recommended continuing the MH/DD Services Task Force (21 public members, 6 meeting days) and added a study of civil commitment to the list of interims to occur this summer.

Second Redistricting Plan Approved

As expected, the Legislature quickly passed the second redistricting plan, which can be found in its entirety online at www.legis.state.ia.us. Here are some quick facts on the plan:

- ☞ **Congressmen Jim Leach and Jim Nussle** are paired together in the new 1st district, but Leach may move to the 2nd district. In fact, Rep. Leach has apparently made an offer on a house in Iowa City, at the power center of the 2nd district. However, many are betting on Leach to make a surprise move – President Bush could appoint him to run the World Bank or as an ambassador. Congressman Leach was a career diplomat before running for Congress, and insiders say he misses that type of work. In addition, the Congressman no longer holds any House chairmanships. He was previously chairman of the powerful House Banking Committee. Insiders say he has nothing to lose if he switches to a job in the Bush Administration. **Sen. Tom Flynn** is considering a run in the 1st district on the Democratic side, and **Rep. Todd Taylor** has made overtures at running for Congress in the 2nd district on the Democratic ticket.

- ☞ **Congressman Leonard Boswell** is alone in a very Republican 5th District, which sprawls border-to-border, North to South. Congressman Boswell's Decatur County farm straddles two congressional districts and is just outside a third. Rumor is that he will move into the 3rd district, currently without an incumbent and with solid Democratic majorities. This is the district that runs from Des Moines to the suburbs of Waterloo. Congressman Boswell was also rumored to be considering a move to Cedar Rapids or Iowa City to run in the 2nd district, the district that actually contains part of the Boswell farm. **Auditor Richard Johnson** and **Des Moines lawyer Stan Thompson** are lining up to run in Congressman Ganske's vacated seat in the 3rd district.

- ☞ **John Norris**, the Governor's Chief of Staff, was planning to make a Congressional run in the central Iowa area, but his plans were thwarted when fellow Democrat **Chet Culver**, the Secretary of State, announced he'd run in the district if Congressman Boswell did not. Norris is rumored to be considering a Utility Board position (being vacated by Susan Frye) or moving to the new 4th congressional district (Warren County to Ames to Waukon). This is the district in which **Congressman Tom Latham** lives. Congressman Latham is rumored to be seriously considering a move to the 5th district, which would put him up against several announced candidates, including **Sen. Steve King** and **Rep. Brent Siegrist**. **Sen. John Redwine** is also considering running. **Sen. Matt McCoy**, a Des Moines Democrat, announced he would run in the 3rd district, no matter who else comes into the race, including Congressman Boswell. **Sen. Betty Soukup** is being wooed by women's groups to run in the 4th district against Congressman Latham.

- ☞ **Bill Saltier** and **Congressman Greg Ganske** will run against each other for the chance to take on **Sen. Tom Harkin**, while **Rep. Steve Sukup**, **Bob Vander Plaats**, and **Dan Gable** vie for an opportunity to take on the Governor. Finally, **Senate Majority Leader Stew Iverson** is looking at a run for state auditor.

Because both the Speaker of the House and the Senate Majority Leader are lining up to run for higher office, that leaves a vacancy in both the House and Senate Republican leadership at a particularly vulnerable time. Taking a look at the legislative races, there are 20 new open House seats and 12 new open Senate seats. The plan puts 39 Representatives and 23 Senators together

in the same districts. There is one Senate district with two Republicans and one Democrat, two with two Democrats opposing each other, five with two Republicans opposing each other, and four with a Republican facing a Democrat. Below is a chart that shows the pairings:

New House & Senate Districts

House District 1 Greg Hoversten (R)	House District 2 Steve Warnstadt (D)	House District 3 Ralph Klemme (R)	House District 4 Dwayne Alons (R)
Senate District 1 Steve Hansen (D)		Senate District 2 John Redwine (R) Ken Veenstra (R)	
District 5 David Johnson (R)	District 6 Greg Stevens (D)	House District 7 Marcella Frevert (D)	House District 8 Dolores Mertz (D)
Senate District 3 OPEN		Senate District 4 John Kibbie (D)	
House District 9 George Eichhorn (R)	House District 10 Russ Teig (R)	House District 11 Henry Rayhons (R) Dennis May (D)	House District 12 Steve Sukup (R) Roger Broers (R)
Senate District 5 Stew Iverson (R)		Senate District 6 Merlin Bartz (R) Thurman Gaskill (R)	
House District 13 OPEN	House District 14 Mark Kuhn (D)	House District 15 Brian Quirk (D)	House District 16 Chuck Gipp (R) Leigh Rekow (R)
Senate District 7 OPEN		Senate District 8 Betty Soukup (D) Mark Ziemann (R)	
House District 17 Bill Dix (R) Bob Brunkhorst (R)	House District 18 OPEN	House District 19 Bill Witt (D)	House District 20 OPEN
Senate District 9 John Jensen (R)		Senate District 10 Don Redfern (R)	
House District 21 Don Shoultz (D) Bill Dotzler (D)	House District 22 Willard Jenkins (R)	House District 23 OPEN	House District 24 Steve Falck (D)
Senate District 11 Pat Harper (D)		Senate District 12 Kitty Rehberg (R)	

House District 25 Bob Osterhaus (D)	House District 26 Clyde Bradley (R) Polly Bukta (D)	House District 27 Pam Jochum (D)	House District 28 Pat Murphy (D)
Senate District 13 OPEN		Senate District 14 Mike Connolly (D)	
House District 29 Ro Foege (D)	House District 30 Dick Myers (D)	House District 31 Gene Manternach (R) Paul Scherrman (D)	House District 32 Andrea Atteberry (D)
Senate District 15 Bob Dvorsky (D)		Senate District 16 Tom Flynn (D) Andy McKean (R)	
House District 33 OPEN	House District 34 Todd Taylor (D)	House District 35 OPEN	House District 36 OPEN
Senate District 17 Wally Horn (D)		Senate District 18 Mary Lundby (R)	
House District 37 Jeff Elgin (R) Chuck Larson (R) Dick Taylor (D)	House District 38 Pat Shey (R)	House District 39 OPEN	House District 40 Lance Horbach (R)
Senate District 19 OPEN		Senate District 20 OPEN	
House District 41 Paul Bell (D)	House District 42 Geri Huser (D)	House District 43 Mark Smith (D)	House District 44 OPEN
Senate District 21 Dennis Black (D)		Senate District 22 Larry McKibben (R)	
House District 45 Barbara Finch (R) Jane Greimann (D)	House District 46 Theresa Garman (R)	House District 47 OPEN	House District 48 Mike O'Brien (D)
Senate District 23 Johnie Hammond (D)		Senate District 24 JoAnn Johnson (R) Jerry Behn (R)	
House District 49 Mike Cormack (R)	House District 50 OPEN	House District 51 Steve Kettering (R) Rod Roberts (R)	House District 52 Russ Eddie (R)

Senate District 25 Mike Sexton (R)		Senate District 26 Mary Lou Freeman (R) Steve King (R)	
House District 53 Dan Huseman (R)	House District 54 Christopher Rants (R)	House District 55 Clarence Hoffman (R)	House District 56 Donna Barry (R)
Senate District 27 OPEN		Senate District 28 OPEN	
House District 57 Jack Drake (R) Dick Weidman (R)	House District 58 Clel Baudler (R)	House District 59 OPEN	House District 60 Libby Jacobs (R)
Senate District 29 Nancy Boettger (R)		Senate District 30 Mary Kramer (R) Gene Maddox (R)	
House District 61 Betty Grundberg (R)	House District 62 Frank Chiodo (D)	House District 63 Janet Metcalf (R) Scott Raecker (R)	House District 64 Wayne Ford (D) Janet Petersen (D)
Senate District 31 OPEN		Senate District 32 Jack Holveck (D)	
House District 65 OPEN	House District 66 Jack Hatch (D) Ed Fallon (D)	House District 67 OPEN	House District 68 John Connors (D)
Senate District 33 OPEN		Senate District 34 Matt McCoy (D) Dick Dearden (D)	
House District 69 Carmine Boal (R)	House District 70 OPEN	House District 71 Dave Schrader (D)	House District 72 Richard Arnold (R) James Van Engelenhoven (R)
Senate District 35 Jeff Lamberti (R)		Senate District 36 Paul McKinley (R)	
House District 73 Jody Tymeson (R)	House District 74 Steve Richardson (D)	House District 75 Danny Carroll (R) Betty de Boef (R)	House District 76 Phil Tyrrell (R)
Senate District 37 Bill Fink (D)		Senate District 38 Neal Schuerer (R)	

House District 77 Mary Mascher (D)	House District 78 Vickie Lensing (D)	House District 79 Dan Boddicker (R)	House District 80 Barry Brauns (R) Jim Hahn (R)
Senate District 39 Joe Bolkcom (D)		Senate District 40 Tom Fiegen (D) Dick Drake (R)	
House District 81 Jamie Van Fossen (R)	House District 82 Dave Millage (R)	House District 83 OPEN	House District 84 Bryan Sievers (R)
Senate District 41 Maggie Tinsman (R)		Senate District 42 Pat Deluhery (D) Sheldon Rittmer (R)	
House District 85 Joe Seng (D)	House District 86 Cindy Winckler (D)	House District 87 OPEN	House District 88 Dennis Cohoon (D)
Senate District 43 OPEN		Senate District 44 OPEN	
House District 89 OPEN	House District 90 Rebecca Reynolds (D)	House District 91 Dave Heaton (R)	House District 92 Phil Wise (D) Rick Larkin (D)
Senate District 45 Sandy Greiner (R) David Miller (R) Mark Shearer (D)		Senate District 46 Gene Fraise (D)	
House District 93 Mark Tremmel (D)	House District 94 Keith Kreiman (D)	House District 95 OPEN	House District 96 Cecil Dolecheck (R)
Senate District 47 OPEN		Senate District 48 Jeff Angelo (R)	
House District 97 Effie Lee Boggess (R)	House District 98 Gerald Jones (R)	House District 99 OPEN	House District 100 Brad Hansen (R) Brent Siegrist (R)
Senate District 49 Hubert Houser (R)		Senate District 50 Mike Gronstal (D)	

On an election note, Rep. Hubert Houser was sworn into the Senate on Tuesday, winning a June 12 special election to replace retiring Sen. Derryl McLaren, who was appointed by the Bush Administration to the Iowa office of the Farm Services Agency. Sen. Houser was replaced in the House by Gerald Jones, a Mills County supervisor and former Silver City mayor. Their contact information can be found online at www.legis.state.ia.us, so update your lists.

Rep. Janet Metcalf, a West Des Moines Republican who was thrown in with her colleague, Rep. Scott Raecker, announced she would retire after over a decade of service in the House. Rep. Wayne Ford will move into an open adjacent district, leaving Rep. Janet Petersen with much of her old district, and Rep. Jack Hatch will run for an open Senate seat, leaving his House district to Rep. Ed Fallon.

In other state news, the State Librarian Sharman Smith is leaving Iowa to be the Executive Director of the Mississippi Library Commission. Smith said she wants to return to her home state now that her kids are older. Smith is credited for making Iowa's library community a cohesive and powerful force in the state.

In order to pursue higher office, John Norris has taken a leave of absence from the Governor's Office. In his absence, John Cacciatore, the Governor's chief policy advisor, will serve as interim chief of staff. Greg Nichols, the Governor's legislative director and educational policy director, will take over as policy director.

The Fiscal Committee of the Legislative Council met on Monday, June 11 to examine the revenue projections to date. The Legislative Fiscal Bureau reported that general fund revenues for the current fiscal year (FY 2001) were up slightly, running about .1% over the March projections. Revenues grew .8%, or by \$35.1 million, more than the same period last year. The March projection was .7%. Income tax revenues are up slightly (.2%) and sales tax receipts are down the same amount (.2%). Corporate income taxes are down .7%.

**Finally, there is a survey enclosed in this update.
Please fill this out and help us better serve your needs!**

Bills Passed by Legislature

There were 1,304 bills introduced this year, of which only 209 (or 16%) were sent to the Governor. Of the 209 sent to the Governor, 12 were vetoed in their entirety and 13 were line-item vetoed. So if the bill lists were long, there is good reason!

Signed by the Governor

HF 192 Background Checks for DIA Applicants

Allows the Department of Inspections and Appeals to conduct background checks on applicants by accessing criminal history records and child and domestic abuse registries.

Effective 7-1-01

HF 256 Nursing Facility Inspections

Gives nursing homes and care facilities notice of violation before receiving citation for the problem. Under this legislation, the State Fire Marshal would give notice first, instead of immediately issuing a citation for the violation. The notice is to describe the nature of the deficiency, identify the rule violated, provide corrective options, and specify the time allowed for the correction (at the end of which time the

Fire Marshal is to perform a follow-up inspection). The bill requires the State Fire Marshal and the Department of Inspections and Appeals consult with the Fire Marshal to make sure rules for health care facilities are consistent.

Effective 7-1-01

HF 462 IDEA Administrative Costs

Allows AEAs to use more than 25% of the funds received under the federal Infants and Toddlers with Disabilities Program of the Individuals with Disabilities Education Act for administration. There is currently a 25% cap on administrative costs.

Effective 4-17-01

HF 643 Special Education Enrollments

Changes the date of the enrollment count for students needing special education and the date the Department of Education (DOE) Director reports special education costs to the school budget review committee to November 1st instead of December 1st. The bill also allows school patrons or school boards to appeal AEA transportation decisions to the DOE Director. Successor to HSB 216.

Effective 7-1-01

HF 655 Adult Day Services

Directs the Department of Elder Affairs to develop a system of oversight for adult day care facilities, including operations, assessment of compliance, a system for formal investigation of consumer complaints, and coordination requirements and funding sources available. Effective July 1, 2002, or when the General Assembly appropriates funding for implementation.

Effective 7-1-01

HF 662 Community Empowerment Areas

Allows an Area Education Agency (AEA) to serve as a fiscal agent for a local Community Empowerment Area board. The bill permits local Community Empowerment Area boards that received grants in FY01 to receive them again, as long as there is at least \$17.9 million appropriated for the School Ready Children Grant program. However, boards must submit an amendment to the area's plan in order to receive this additional grant funding. The amendment would need to account for changes in the programs and services because of the additional funds. The bill also states that the Legislature intends to convene a summit meeting during the 2001 interim to assess the status of efforts to achieve full cooperation between programs and community empowerment area boards to avoid duplication, enhance efforts, combine planning and take other step in best utilizing public funding to meet the needs of families; make recommendations on removing barriers to more full integration; implement an approach to move toward statewide equalization of public funding for community empowerment initiative programs; and identify other age groups or result areas to be incorporated in the community empowerment initiative. Effective upon enactment.

Effective 5-2-01

HF 686 State-Private Sector Competition

Requires the Administrative Rules Coordinator to review all proposed state administrative rules to determine if it will place the state in competition with private

business in the development or delivery of products and services. Likewise, the Legislative Service Bureau is required to review all proposed legislative resolutions and bills to determine if they will place the state in competition with the private sector. If the Administrative Rules Coordinator determines that competition between the state and private business exists, this must be noted in the Notice of Intended Action on the rule. If the Legislative Service Bureau determines that competition exists, it must be noted in the explanation of the bill or resolution.
Effective 7-1-01

HF 687

Accountable Government Act

Requires a review of state government agency performance and operations, and establishes a system for planning, performance measurement, investment, and oversight. Budgeting: Requires budgets to include an explanation that correlates each expenditure item to the state's enterprise strategic plan and identify any goals that require legislation. This legislation requires all budgets to explain how appropriations will help the agency achieve enterprise goals and what results can be expected and measured. Strategic Planning: Makes the Department of Management (DOM) responsible for developing a State Enterprise Strategic Plan, and makes each agency responsible for developing its own agency strategic plans. These agency plans are to be based on the enterprise strategic plan. The bill requires broad public participation in formulating these plans. DOM is to oversee and review agency planning. The bill states that agencies are expected to carry out their plans and achieve the goals outlined using performance targets and measures. Agencies are required to prepare reports outlining their progress in achieving goals. Investment Decisions: Requires agencies to incorporate methodologies in decisions to make major investments, which may be based on return on investment and cost-benefit analysis. Contracts for Services: Requires the Department of General Services (in cooperation with the Attorney General, DOM, Department of Personnel, Department of Revenue & Finance, and other state agencies) to set uniform terms and conditions for state contracts. Contracts must now be performance-based and outline a way to measure a contractor's compliance (including itemized invoices of work performed) and performance. Successor to HSB 219. Companion to SSB 1178.
Effective 7-1-01

HF 727

Mental Health Revisions

The bill repeals language added last year that prohibited counties from making capital expenditures from their mental health services funds. The bill also moves the per capita expenditure target from the 75th percentile to the 100th percentile for FY02 (which has the affect of making every county eligible for per capita expenditure pool, as long as they meet certain other criteria). To receive funds under the per capita expenditure pool, a county must be levying at its maximum rate, must have actual expenditures less than the statewide per capita expenditure target amount, must not have an ending fund balance more than 25% of the county's actual expenditures, and the county is in compliance with the filing date requirements. No county may receive funds that put them over the statewide per capita expenditure target. The bill also eliminates the Incentive and Efficiency Pool that was created to give counties incentive to be more efficient. Unfortunately, this amount was never big enough and it was too hard for counties to apply, so it went

unused. These funds will be rolled into the overall pot of dollars. The bill allows counties to access the risk pool if their spending levels (less revenues generated from sources other than property taxes) are in excess of the current county fiscal year. In addition, counties with less than a 10% ending fund balance may access the risk pool if the county is spending over 101% of its budget. The bill specifies that counties receiving risk pool dollars that are not levying at their maximum must pay back the fund, 50% in the first year and 50% in the second year. Currently, such counties must pay it back over two years, without specification for the amount each year. On March 1 and September 1, DHS must report on the financial condition of the risk pool to the risk pool board. The bill also forgives all disputed billings made prior to July 1, 1997, if DHS has failed to provide documentation or has written off the billing. There are currently approximately \$12 million in disputed billings from DHS and the counties, some dating back to the 1980's. The bill makes DHS directly responsible for county billings and takes the third party (Department of Revenue and Finance) out of the middle, something DHS believes will take care of future billing discrepancies. The bill requires DHS to accept any nationally recognized accrediting bodies for the Adult Rehabilitation Option. Currently, DHS will only accept Commission on Accreditation of Rehabilitation Facilities (CARF). CARF primarily accredits MR service providers, establishing a precedent that requires MI service providers to apply for accreditation for MR services, even if they have no intention of providing those services. It is also costly and time consuming for the provider to undergo multiple accreditations. This section acknowledges CARF, the International Center for Clubhouse Development, the Council on Quality and Leadership Supports for People with Disabilities, the Joint Commission on Accreditation of Health Care Organizations, and any other nationally recognized accrediting body. Finally, the bill makes changes as needed in Iowa Code to comply with the Salcido hearing on involuntary commitment placements and transfers to state institutions.

Effective 7-1-01

SF 146 Tobacco Settlement Act – Extension

Changes the original tobacco settlement agreement to comply with the Model Act provisions adopted by all states in the agreement. Effective upon enactment. Companion to HF 185. Similar to SF 258 and HF 365.

Effective 3-1-01

SF 258 Tobacco Settlement Act – Extension

Extends the Tobacco Settlement Authority Act until December 31, 2001. Effective upon enactment. Successor to SSB 1153. Similar to HF 185, HF 365, and SF 146.

Effective 3-1-01

SF 267 Deappropriations Bill

Cuts \$25.5 million in funds to state agencies for the current (FY01) fiscal year. The bill specifically cuts \$590,518 in the DED and Iowa Workforce Development; \$6.6 million from the Department of Human Services; and \$36,532 from the Department of Human Rights. The bill reduces the appropriation for the New Employment Fund by \$5,000. The program provides flexible funding sources to assist underutilized segments of Iowa's population (particularly persons with disabilities) to obtain and

retain work. This includes funding for insurance, on-the-job training, short-term basic education, assisting businesses with ADA compliance, mentoring, internships, and reducing perceived risks that cause these populations to be underutilized. The bill also cuts \$1.9 million (93%) from the DHS reimbursement rate increases to providers of certain MH/MR/DD services; \$1.1 (5.3%) to MH/MR/DD service reimbursements to counties; \$826,000 from state cases, which pay for MH/MR/DD services to persons with no county of legal settlement; \$1.3 million (26.1%) from the Healthy And Well Kids of Iowa (HAWK-I) insurance program for low- and medium-income kids; \$18,570 from the Department of the Blind; \$58,825 from DHS regional offices and \$154,091 from DHS general administration; prohibits DHS from laying off workers in these offices and requires any direct layoffs occur in supervisory positions and at the DHS Des Moines headquarters. Line Item Veto: The Governor vetoed sections making the 1% across-the-board cut to all departments and reducing the state's contribution to the judicial retirement system during the current and future fiscal years. All other components of the bill were signed into law.

Effective 3-13-01

SF 433

Substance Abuse Facility

Makes changes to the administration of programs under the Department of Public Health. The bill changes the designation of gamma-hydroxybutyric acid as a controlled substance. It also states that the director of IDPH may give a per diem to public members serving on ad hoc advisory boards. The bill also adds registered nurses and licensed practical nurses to the list of protected titles. The bill will eliminate some continuing education requirements and changes the pre-expiration notice deadline for optometry. The bill also changes the regulation on portable water purification systems. The bill eliminates regulations for barber assistance licensure. Companion to HF 649.

Effective 7-1-01

SF 525

Federal Block Grant

Allocates the state's share of various federal block grants, including the Substance Abuse Block Grant (\$12.7 million, \$156,171 more than federal fiscal year 2001); Community Mental Health Services Block Grant (\$2.7 million, \$355,074 less than federal fiscal year 2001); Maternal and Child Health Services (\$7 million, 54,803 more than federal fiscal year 2001, including \$2,526,097 million - a \$20,277 increase - for the University of Iowa Hospitals' mobile and regional child health specialty clinics); Preventive Health and Health Services Block Grant (\$1.9 million, \$3,363 less than federal fiscal year 2001); Drug Control and System Improvement Block Grant (\$5.7 million, \$175,639 less than federal fiscal year 2001); Stop Violence Against Women Block Grant (\$1.6 million, \$78,000 less than federal fiscal year 2001); Residential Substance Abuse Treatment for State Prisoners Formula Block Grant (\$502,000, \$18,271 less than federal fiscal year 2001); Community Services Block Grant (\$6.5 million, \$778,499 more than federal fiscal year 2001); Low-Income Home Energy Assistance Block Grant (\$25.5 million, \$17,330,288 less than federal fiscal year 2001); Social Services Block Grant (\$18.5 million, 281,027 less than federal fiscal year 2001); and the Child Care and Development Fund (\$39.5 million, \$9,088,771 more than federal fiscal year 2001). Specifically, the Social Services Block Grant provides funding for DHS field operations

(\$7,047,791, a decrease of \$106,882), child and family services (\$1,054,155, a decrease of \$15,985), local administration costs and services (\$747,4438, a decrease of \$11,335), volunteers (\$81,688, a decrease of \$1,239), community-based services (\$93,940, a decrease of \$1,425) and MH/MR/DD community services (\$8,327,647, a decrease of \$126,291). Should the federal government not allocate the expected amount (which will not be finalized until October, 2001), the state is authorized to reduce the amounts appropriated or prorate them for additional funds appropriated. The bill also passes through a total of \$2.642 billion in federal appropriations to state agencies, including funding to the Department for the Blind (\$6.6 million); Civil Rights Commission (\$975,000); Department of Education (\$288.8 million); Department of Elder Affairs (\$15.6 million); Governor's Office - Drug Control Policy Coordinator (\$665,000); Department of Human Rights (\$7.2 million); Department of Human Services (\$1.351 billion); Department of Inspections and Appeals (\$2.7 million); Department of Public Health (\$53.0 million); Board of Regents (\$257.2 million); and Department of Workforce Development (\$252.6 million). It is important to note that the legislature has no control over the amounts appropriated by the federal government – it is a congressional action that determines how much each block grant will receive, and there is still time to lobby your congresspersons to encourage them to expand funding for federal fiscal year 2002.

Effective 7-1-01

SF 532

Tobacco Securitization

Authorizes the securitization of Iowa's share of the tobacco settlement in order to maximize the funds and minimize risk. Should tobacco companies in the settlement go bankrupt, funds from that company would cease. Securitization allows the state to sell its entire tobacco funding stream and receive the bulk of funds up-front. The investments made in these funds would allow for interest to develop and help create a more stable and longer lasting fund. The bill requires the Tobacco Settlement Authority to issue tax-exempt bonds in an amount that will yield a maximum of \$540 million to be used for capital projects. To do this, settlement payments are sold on the bond market. The bonds are backed by the payments from tobacco companies (and the bonds are not debts of the state). Tax-exempt bond proceeds must be used for capitals, while taxable bond proceeds can be used for anything. The bill states the Legislature's expectation that at least 85% of the proceeds from issuing tax-exempt bonds are to be expended within five years of the sale's effective date. There will be a total of \$1.1 billion in the Endowment by the year 2030. The bill also creates the Healthy Iowans Tobacco Trust and repeals the Tobacco Settlement Endowment Fund, requiring all appropriations from the Endowment for Iowa's Health Account and from any other source to be deposited in the Healthy Iowans Tobacco Trust. The bill empowers the Tobacco Settlement Authority to securitize the tobacco funds, and dissolves the authority no later than two years following the final date of the final payment.

Effective 5-29-01

SF 533

Tobacco Settlement Trust Fund

Creates the Tobacco Settlement Trust Fund and an Endowment for Iowa's Health Account within the Trust Fund. The bill transfers the following amounts of gambling revenues that are currently dedicated to infrastructure projects to the Endowment for

Iowa's Health Account: \$80 million (FY02); \$75 million (FY03); \$70 million (FY04); \$70 million (FY05); \$70 million (FY06); and \$70 million (FY07). The bill also transfers the following amounts of general fund dollars into the Endowment for Iowa's Health Account: \$7.248 million (FY02); \$27.087 million (FY03); \$28.251 million (FY04); \$29.785 million (FY05); \$29.562 million (FY06); and \$17.773 million (FY07). These funds will not revert and are effective only if SF 532 is enacted and the Tobacco Settlement Authority securitizes the master settlement agreement payments. Effective on the date bonds are secured.

Effective Upon Receipt of Bonds

SF 537

Tobacco Appropriations

Makes \$56 million in appropriations for FY02 from the tobacco settlement. The bill appropriates \$32.8 million to DHS to continue FY01 reimbursement rate increases funded by the Tobacco Fund last year. These reimbursement rates have been adjusted based on the estimated FY02 services and number of persons receiving services. These include: \$8.1 million for non-institutional Medicaid providers; \$3.8 million for dental services; \$3.1 million for rehabilitative treatment and support services (RTSS) providers; \$469,000 for adoption, independent living, shelter care, and home studies providers; \$3 million for hospitals; \$2.1 million for home health care service providers; \$250,000 for critical access hospital designation; \$2 million for home health care and rehabilitative day care service providers for special needs children; \$1.1 million for respite care service providers; \$546,000 for miscellaneous DHS service providers; \$200,000 for the Children's Health Insurance Program (CHIP); \$7.5 million to supplement the Medicaid appropriation; \$250,000 for Breast and Cervical Cancer Treatment under Medicaid; and \$147,000 to maintain funds used from the \$2 million appropriation from FY01 Tobacco Funds for local purchase of service provider salary increases. The bill also appropriates \$9.4 million for tobacco prevention and control at state and local levels; \$11.8 million for substance abuse treatment; \$2.6 million for the Healthy Iowans 2010 program; and \$75,000 for smoking cessation products. The bill appropriates \$610,000 to four community-based corrections districts (\$127,000 for District II, \$35,000 to District III; \$192,000 for District IV; and \$256,000 for District V); appropriates \$1.2 million from the FY01 appropriation for the School Ready Children Grants Account of the Iowa Empowerment Fund (this received \$3.8 million in FY01); appropriates \$2 million from FY01 appropriation for substance abuse treatment facility for persons on probation; creates a Substance Abuse Treatment Facility for persons on probation in the Department of Public Health; and deposits all remaining funds from the Savings Account for Healthy Iowans (\$647,000) and funds remaining from the FY01 appropriation for local purchase of service provider increases (\$853,00) in the Healthy Iowans Tobacco Trust Fund. The bill also renames the Tobacco Settlement Endowment Fund as the Healthy Iowans Tobacco Trust Fund; eliminates the Savings Account for Healthy Iowans; provides certain breast and cervical cancer treatment as an optional coverage under Medicaid and authorizes screenings or related diagnostic services provided by community health centers or family planning clinics, and screenings funded by the Susan G. Koman Foundation.

Effective 7-30-01

Sent to the Governor

HF 757

Federal Tax Rebate

Removes the federal tax rebate from the definition of income for the Iowa personal income tax. For the tax years beginning January 1, 2001 until January 1, 2002.

Sponsor: Rep. Van Fossen, et al; Status: Passed Senate, 48-2; Passed House, 94-3; Sent to Governor

Line Item Vetoed

HF 718

Economic Development Budget

Appropriates a total of \$21.7 million to the Department of Economic Development, \$7.2 million to the Board of Regents, and \$5.9 million to Iowa Workforce Development. Most of the reductions represent a 6% across-the-board cut to all divisions and programs. Under this legislation, the New Employment Opportunity Fund will be reduced by \$248,730 (49.75%), for a total appropriation of \$251,270. This fund was used to creatively and flexibly address the needs of untapped workforce populations, including persons with disabilities, the elderly, and immigrants. It is estimated that FY01 dollars will not be expended, so these dollars are protected from reversion and when combined represent total (\$500,000) funding for the program.

Effective 7-1-01

HF 726

Health & Human Rights Budget

Appropriates \$86 million to the seven agencies in this budget, a decrease of \$5.2 million. Appropriations were decreased proportionately, with some exceptions. The bill decreases the appropriation to the Department for the Blind by \$66,000 (\$1.79 million total) and the Civil Rights Commission by \$144,000 (\$1.1 million total). Reductions for the Department of Public Health were unspecified in many areas, allowing the Department to make the cuts where the least impact is made. General reductions are made on a proportionate basis to the Chronic Conditions Program, to help individuals with chronic conditions and special health care needs, including the Child Health Specialty Clinics, Neuromuscular Disease Program, and the Chronic Renal Disease Program (\$1,327,510 total appropriation, a \$519,024 reduction). The bill continues to prohibit the University of Iowa Hospitals and Clinics from receiving indirect costs from the program service dollars it administers (such as the neuromuscular disease program and the Child Health Specialty Clinics). Reductions in the Department of Human Rights include: \$57,703 cut in administration (total appropriation of \$277,345) and \$12,293 cut to the Persons with Disabilities Division (total appropriation of \$192,587). The Deaf Services Division is funded at the current level (\$350,211). Finally, the bill directs the DPH Director, in consultation with an ad hoc committee, to conduct a study on comprehensive cancer control. The ad hoc committee is to include public health officials, health care providers, consumer groups, educators, representatives from the state cancer registry and the Healthy Iowans 2010's cancer chapter team. The study is to include an assessment of the incidence and prevalence of cancer (including geographic, social and economic determinates and other common

characteristics which identify vulnerable populations at risk of cancer); an evaluation of current cancer control efforts' effectiveness in terms of prevention, early detection, treatment, rehabilitation, and quality of life; review and encourage screening guidelines and tests that lead to a reduction in site-specific cancer incidence rates; identify additional federal funding sources and opportunities to enhance medical assistance dollars for the treatment of breast and cervical cancer; and an evaluation of the availability and effectiveness of current resources, programs, and efforts to address cancer with special attention to prostate, bladder, colorectal, skin, lung, oropharyngeal, breast, and cervical cancer. The study is to consider strategies to maximize existing public health and private practice resources through improved coordination and program planning, and identify opportunities to increase and enhance efforts to focus on prostate, bladder, colorectal, skin, lung, oropharyngeal, breast, and cervical cancer.

Effective 7-26-01

HF 732 Human Services Budget

Appropriates \$131.5 million from the Temporary Assistance for Needy Families (TANF) Block Grant and \$777.2 million from the general fund for FY02, a decrease of \$5.8 million from current FY01 levels. TANF allocations include: \$271,582 decrease in MH/DD community services (\$4.35 million total) and includes language for the Iowa Marriage Initiative Grant Fund, a new program that conducts marriage counseling as a way to maintain two-parent homes and reduce child abuse. DHS is required to continue the FIP Special Needs Program, which pays 100% of the allowable school expenses and \$10 fees for guardians and conservators. There is no change in the following general fund appropriations for FY02 (it is the same as FY01): Permits DHS to use up to \$75,000 of the State Supplementary Assistance (SSA) appropriation for rent subsidy for HCBS waiver recipients, persons coming out of institutions, individuals at risk of institutionalization, and children in residential-based supported community living; appropriates \$46,000 for the Conner Consent Decree training, based on the Supreme Court decision mandating placement of persons with disabilities in the least restrictive setting; appropriates \$19.56 million for MH/DD community services; earmarks \$30,000 for the Iowa COMPASS Program to provide computerized information and referral services to Iowans with developmental disabilities and their families; dedicates \$57,000 for the Prevention of Disabilities Policy Council; and maintains the current rates of reimbursement for acute mental hospitals (at federal rate), psychiatric medical institutions for children (PMICs), rehabilitative treatment service providers, and intermediate care facilities for the mentally retarded (80th percentile). The following language again appears in this bill (it is existing FY01 language): Transfers \$950,000 from the Substance Abuse Grants appropriation in the Department of Public Health to DHS for continuation of the Managed Substance Abuse Treatment Program, first funded in FY96; requires DHS to work with county officials to aggressively implement the Rehabilitation Option for persons with chronic mental illness and to use county funding as a match for federal funds except when the service recipient qualifies as a state case; and requires DHS to increase the personal needs allowance of residential care facility residents at the same rate and time as Supplemental Security Income (SSI) and Social Security benefits are increased. The following changes (increases and decreases) are made in appropriations: \$12,487,972 increase in Medicaid to reflect the increase in the

number of people served (not for reimbursement rate increases); \$1.54 million increase for the Medicaid Buy-In program, called the Medicaid for Employed Persons with Disabilities (MEPD) Program, to cover an additional 4,014 persons in the program; \$5.68 million increase for Medicaid waiver services (it is estimated that 12,210 Medicaid recipients will be served through the waiver programs at DHS); \$223,571 decrease for ICF/MR services for children, due to a reduced cost per case; \$182,000 increase for the state share of the Medicaid Rehabilitation Option for state cases; \$100,000 decrease for the PAS pilot to phase-out of the program (\$264,000 total); \$1.6 million increase in DHS field operations (total \$49.1 million); \$4,389,066 cut to General Administration (total \$11,020,029); eliminates funding for the Creative Employment Options Program (\$129,971); \$4,715,492 increase in the Children's Health Insurance Program (includes a \$1.68 million decrease in the Medicaid expansion portion to reflect revised average monthly enrollment of 6,157 children, a \$3.29 million increase for higher average monthly enrollments of 20,373 children, and a \$258,921 increase for an increased enrollment of infants at an average monthly enrollment of 154 infants); \$62,701 increase for the Cherokee MHI (\$13.47 million total); \$116,039 increase for Clarinda MHI (\$7.65 million total); \$244,727 increase for Independence MHI (\$17.99 million total); \$61,675 increase for Mount Pleasant MHI (\$5.72 million total); \$1,110,483 decrease from the Glenwood State Resource Center (\$2.63 million total); \$813,836 decrease from the Woodward State Resource Center (\$1.79 million total); authorizes the two state resource centers to carry forward up to \$500,000 of their FY02 appropriations and allows funds to be reallocated between the two centers to meet their needs; \$53,212 increase for Special Needs Grants to families with a family member at home who has a developmental disability or to a person with a developmental disability (these grants are to be used to pay for the costs of caring for a person with developmental disabilities and prevent out-of-home placement or to assist with independent living); \$73,104 decrease for Psychiatric Medical Institutions for Children (\$6,987,000 total); and a \$435,747 decrease in the State Supplementary Assistance Program (total \$19.55 million). SSA is not a federally mandated program - it is intended to supplement the federal Supplemental Security Income Program to meet the special needs of the aged, blind, and disabled. The change includes an increase in the maximum reimbursement rate for Residential Care Facilities by 2.61% effective January 1, 2002 (the maximum rate will increase from \$24.50 per day to \$25.14 per day); \$155,140 increase in the maximum rates for In-Home Health Related Care by 2.61% effective January 1, 2002 (\$471.06 to \$483.31 per day); a \$478,334 decrease because of monthly caseload reductions (6,682 to 6,464); and a \$23,208 decrease due to higher than anticipated federal SSI cost of living adjustments. The bill also includes a 3% reduction in rates for community mental health centers and reduces the FY02 Mental Health Allowable Growth Factor by \$17,159,591 (to \$9,333,121). This was done to force certain counties with large ending fund balances to spend down their mental health fund reserves. The language holds any county with 15% or less in reserves harmless from the cuts (they will have no dollars withheld from their expected allowable growth). Counties with 15-25% ending fund balances will receive 87.2% of what they expected; counties with 25-35% will receive 65% of what was expected; and counties with 35-45% will receive 32.7% of what they expected. Counties with higher MH/MR/DD fund balances will not receive allowable growth dollars. DHS is authorized in this legislation to reallocate the cuts

as necessary (because numbers are based on estimates for FY01, not actuals), but instructs them to hold those under 15% absolutely harmless. In addition, the bill moves up allowable growth payments from September and March to July and January. This is expected to help counties with cash-flow needs while spending down ending fund balances. The FY01 allowable growth factor of \$26,492,712 was passed in the 2000 legislative session, giving counties time for budgeting. The bill also increases the amount of funds going into the per capita expenditures pool by \$2 million, eliminates the incentive and efficiency pool, and decreases the risk pool expenditure from \$2 million to \$394,716. Intent language and Code changes in the bill include: Allows PMIC accreditation under any accrediting organization acceptable under federal regulation; extends the repeal of the Prevention of Disabilities Council from July 1, 2001 to July 1, 2006; prohibits new PAS Pilot Project applicants from being accepted; permits state resource centers to expand time limited assessment and respite services (time limited assessments include analysis of patients' conditions and development of therapy plans to assist families in caring for individuals with MR/DD and the respite services provide care for special needs individuals for a limited duration to provide families with a temporary reprieve from caretaking responsibilities); eliminates the exemption for individuals with disabilities from participating in the Family Investment Agreements to be in compliance with state law; and requires a managed care contract by DHS for substance abuse services provide coverage for dual diagnosis for treatment at the Mount Pleasant MHI (this is current language that was stricken in earlier drafts). The bill also prohibits the following FY01 tobacco appropriations from reverting (allowing them to be used to supplement the FY02 appropriation for these services): \$4 million for home health care services, home health care and habilitative day care for special needs children, and respite care; and \$1 million of the \$1,853,250 remaining for local purchase of service provider salary increases. DHS is also permitted to participate in a federal home Telecare Pilot Program if federal funding is available. The pilot is intended to manage the health care needs of lowans who use many health care services and represent a disproportionate share of health care service consumption. The program is to be implemented in collaboration with public, private, and academic partners and the Departments of Elder Affairs and Public Health, with the intent of showing cost savings and proactively managing diseases using technology. The program is to provide direct telecare services to persons with diagnoses of specific non-acute chronic illness that may include chronic obstructive pulmonary disease, congestive heart disease, diabetes, and asthma. The telecare program may provide a proactive call center staffed by appropriate and licensed health care providers equipped with disease management protocols. Telecare is defined as interactive delivery of diagnostic, clinical, consultative, data, and educational services using a transmission network that may include the live transmission of audio and video data. Veto Message: The Governor vetoed the \$500,000 for the Iowa Marriage Initiative Grant Fund; the requirement for DHS to continue the case study for outcome-based performance standards for programs servicing persons with MR/DD; the elimination of regional offices in FY02 and the requirement that essential staff become parts of the county cluster offices; the language which would allow DHS to apply for a federal waiver to permit families with children eligible for Medicaid to choose between Medicaid and the HAWK-I program (program enrollment is now determined by income - children living in families with income below 133% of the federal poverty level are enrolled in

the Medicaid portion of the Children's Health Insurance Program, while children living in families with incomes between 133% and 200% of the federal poverty level are reenrolled in HAWK-I); and the implementation of a timeline for pilot projects in four counties for the adult decategorization/single stream MH/MR/DD funding (depending on a federal waiver from HCFA) which would have been effective upon enactment.

Effective 7-1-01

HF 740 Senior Living Trust Fund

Appropriates \$51.8 million from the Senior Living Trust Fund to the Department of Elder Affairs (\$5,285,426) and the Department of Human Services (\$46,483,406). The Department of Elder Affairs (DEA) appropriation is dedicated entirely to the Senior Living Program, and is a \$1.1 million increase over current year level. Of this appropriation, two new initiatives are funded: \$256,000 is earmarked for dependent adult abuse detection, training, and services; and \$100,000 is dedicated to funding recruitment and retention strategies for certified nurse aides. DEA is required to contract with an organization whose primary mission is improving the nurse aide profession for this effort. The bill also requires the DEA to certify all assisted living programs established through grants, and requires consultation for establishment and monitoring of occupancy agreements. The Department of Human Services allocation represents an increase of \$6.5 million for nursing facility conversion grants for FY02 (maintains FY01 funding level of \$20 million). These grants are used to convert nursing homes to assisted living programs or long-term care alternatives. The bill reduces the funds appropriated to supplement Medicaid funds through the Home and Community Based Services (HCBS) waiver and State Supplementary Assistance (SSA) program by \$507,000 (for a total appropriation of \$1.7 million) and appropriates \$7 million in additional funds to implement nursing facility provider reimbursement increases based on a case-mix reimbursement methodology (for a total of \$24.8 million). The bill requires DHS to reimburse nursing facilities in accordance with a phased-in, price-based, case-mix reimbursement system to be phased-in over a three-year period. DHS is required to compute a facility's reimbursement rate for FY02 using the cost-based rate to determine 66.67% of the reimbursement rate, and using the price-based case-mix rate to compute 33.33% of the rate. The cost-based rate would be calculated from cost reports submitted by facilities on or before December 31, 2000, and will include an inflation factor of 6.21%, with a maximum per diem rate of \$94. The bill specifies that the rate is to be no less than the rate received on June 30, 2001, plus an inflation factor. FY03 rates are computed using the cost-based rate for 33.33% of the reimbursement rate and the price-based, case-mix rate for 66.67% of the rate. 100% of the nursing facility reimbursement will be based on the price-based case-mix reimbursement rate for FY04 and beyond. The bill also requires DHS to initiate and implement an accountability system to measure nursing facility outcomes in the areas of quality of life and efficiency. This information will be used to increase nursing facility reimbursements with favorable outcomes by as much as 3%. Specifies that increases in nursing facility reimbursement rates under the case-mix approach be used to provide direct care. DHS is required to compile and analyze information about the growth of direct care costs, increased acuity, resident care needs, and provider cost reports. Finally, the bill changes the number of years (from three to two years) that a facility must be an

approved Medicaid provider before applying for a conversion grant. Veto Message: The Governor struck language which would have required DHS to adopt rules for nursing facility conversion grant applications, which would have given greater priority to nursing facilities that renovate existing structures versus new construction and encourage cooperative efforts between the Department of Inspections and Appeals, the State Fire Marshal, and grant applicants.
Effective 7-1-01

HF 755 Standings Bill

Standing appropriations are those authorized by law and made automatically. This bill reduces FY02 standing appropriations by \$34.1 million, which is \$33.8 million below the FY01 level for standing appropriations. The bill reduces the standing appropriations for the legislative branch by \$1.5 million (5.9% reduction, for an overall appropriation of \$26.5 million); makes psychiatric services provided by a licensed physician in a volunteer program at an eligible hospital, clinic, or facility approved by the Director of the Department of Public Health immune from civil liability; and reduces the FY02 standing appropriation for public transit assistance by \$660,000 (total \$11 million originally budgeted, this reduces the total appropriation to \$10.3 million). The bill authorizes the MH/MR/DD Allowable Growth fund level for FY03 (\$14.9 million in funding for county MH/MR/DD allowable growth, an \$11 million loss from the current fiscal year). This is a 2.5% growth factor over the FY02 appropriated levels, but the cuts in FY02 were to be one-time only cuts. The bill also appropriates \$2 million for FY02 to the Department of Human Services to restore some of the general administration funding cuts (this, combined with the \$11 million appropriated by the Human Services Budget, results in a \$2.4 million total decrease to DHS general administration). Veto Message: The Governor vetoed language which would have authorized the Iowa Finance Authority to transfer \$121,000 for community-based housing for homeless persons with mental illness.

Effective 7-1-01

SF 530 Justice Systems Budget

Appropriates \$358.4 million for FY02, a decrease of \$15.5 million (4.2%) from the current fiscal year. The bill decreases the Legal Services Poverty Grant by \$30,000 (total \$670,000), a program that helps many low-income persons (including those with disabilities) maneuver the legal process, including guardianship papers and as legal advocates for persons with disabilities. In particular, these funds often pay for legal representation of persons with disabilities during a civil commitment process.

The bill also decreases the Indigent Defense Fund by \$1.4 million (transfers \$680,000 to the Department of Human Services and decreases the appropriation by \$710,000 for a 3.3% across-the-board reduction). This program helps indigent adults and juveniles needing legal representation. Finally, the bill authorizes an interim study on involuntary hospitalization and civil commitment procedures and includes representatives of the counties, consumers, providers, and the legal/judicial system. This interim is to look at both inpatient and outpatient commitment proceedings and advanced directives.

Effective 7-1-01

SF 535**Education Budget**

Appropriates \$923.4 million for various K-12, continuing learning and higher education programs around the state for FY02, a decrease of \$56.6 million compared to the current fiscal year. The bill decreases funding for the Division of Vocational Rehabilitation by \$284,000 for a total appropriation of \$4.7 million, and requires the Division to go after local and other funds that can be used to match federal dollars. This decrease will require greater reliance on soft match dollars to meet requirements for federal funding. The bill also decreases Independent Living Program funds by \$14,079 (total \$62,500 appropriation) and requires the program give the highest priority to programs that emphasize employment for persons with severe physical or mental disabilities. The bill also appropriates \$110,493 to the Southwest Iowa Graduate Studies Center located at the Iowa School for the Deaf in Council Bluffs (\$7,053 cut); reduces the appropriation to the University's Psychiatric Hospital by \$504,691 (\$7.9 million total appropriation); reduces the University's Substance Abuse Consortium by \$4,637 (\$72,649 total); Birth Defects Registry by \$3,196 (\$50,070 total); and Specialized Child Health Care Services by \$41,393, for a total appropriation of \$648,497 (used to pay for childhood cancer diagnostic and treatment programs, rural comprehensive care for hemophiliac patients, and the Iowa high-risk infant follow-up program). The bill also changes the name of the University of Iowa Hospital-School to the Center for Disabilities and Development, appropriates \$7.04 million to the Center (\$449,278 cut), and requires \$200,000 of this appropriation be used for Iowa CEO (Creative Employment Options) program. The appropriations for the State School for the Deaf and the Iowa Braille and Sight Saving School are reduced by \$482,769 and \$269,683 taking them to a total appropriation of \$7.7 million and \$4.3 million, respectively. The bill also requires the Department of Revenue and Finance to pay funds collected from counties to the School for the Deaf and the Iowa Braille and Sight Saving School for prescription drug costs of the students attending these schools. Finally, the bill reduces funding for the School Ready Grant Program (Community Empowerment Funds) by \$936,000 for a total \$14.7 million appropriation. The bill reduces grants awarded prior to FY02 by 6%, and requires a 25.815% reduction for grant recipients that received funding for the first time in FY01 (because they only received partial funding for the year). The bill specifies that a maximum \$200,000 can be used for the Community Empowerment Office and other technical assistance services; states the Legislature's intent for regional technical assistance teams to be established and include staff from various agencies, including the AEAs, community colleges, and ISU Extension Service; and requires the State Empowerment Board to direct staff to work with the Advisory Council to inventory technical assistance needs.

Effective 7-1-01

Vetoed by the Governor**SF 66****99% Spending Limitation**

Requires the Governor to submit and the Legislature to pass a budget that does not exceed the 99% spending limitation. The bill also prohibits the use of reversions.

Sponsor: Committee on Appropriations; Status: Vetoed by Governor

Resolutions

- HR 7 Nancy Coover Andreasen Recognition**
Recognizes award-winning, internationally acknowledged psychiatrist, educator, researcher, and author Nancy Coover Andreasen, currently the Andrew Woods Chair of Psychiatry at The University of Iowa College of Medicine and editor of the American Journal of Psychiatry, for her genuine compassion and understanding for persons with mental illnesses and their families. Companion to SR 7.
Sponsor: Rep. Grundberg et al; Status: Adopted by House
- HR 16 Theresa Uchytal Recognition**
See companion bill, SR 12.
Sponsor: Reps. Metcalf & Raecker; Status: Adopted by House
- HR 21 Nick Ackerman Recognition**
Honors Nick Ackerman, the Colfax-Mingo high school wrestler who compiled a record 71 wins and 38 losses, including 32 wins and 8 losses his senior year. Ackerman placed sixth in the Division 1A State Wrestling Tournament, despite fracturing his wrist in a first round victory over a previously undefeated opponent. Ackerman is being honored for his athletic achievements and overcoming his disability (as a child, both of his legs were amputated after having bacterial meningitis).
Sponsor: Reps. Richardson & Bell; Status: Adopted by House
- HR 42 Regional Autism Services Program**
Urges Iowa's congressional delegation to become members of the Coalition for Autism Research and Education, and encourages the Department of Education to continue compiling and maintaining yearly records regarding individuals with autism and related disorders. Companion to SR 43.
Sponsor: Rep. T. Taylor; Status: Adopted by House
- SR 7 Nancy Coover Andreasen Recognition**
See companion bill, HR 7.
Sponsor: Sen. Dvorsky et al; Status: Adopted by Senate
- SR 12 Theresa Uchytal Recognition**
Recognizes talents and achievements of Theresa Uchytal, Miss Iowa 2000 and the first Miss Iowa with a disability. The resolution applauds Ms. Uchytal for her refusal to be defined by her disability, her efforts to encourage people, regardless of their challenge, to overcome the obstacles in their lives, and using her pageant platform "Facing the Challenge" and her position as a national ADA advocate to educate the public about Americans with disabilities. Companion to HR 16.
Sponsor: Sen. Maddox; Status: Adopted by Senate
- SR 43 Regional Autism Services Program**
See companion bill, HR 42.
Sponsor: Sen. Horn; Status: Adopted by Senate

Legislative Updates Survey

We need your help! Please help us keep you informed about what is happening in the Legislature. Tell us a little about yourself and how you receive and use legislative updates so that we can provide you with the most relevant and useful information possible. Just check the appropriate box(es) and send the survey back to State Public Policy Group by mail (just fold and stamp) or fax (515/243-5941) or by e-mail (campbell@sppg.com). Thanks for helping us keep you informed about what is going on at the Capitol.

1. Are you? (Please check all that apply)
 - A foster and/or adoptive parent
 - A city/county official
 - A health care professional
 - A state employee
 - A person with a disability
 - Other _____
 - A chamber of commerce executive
 - An economic/community development professional
 - A social services professional
 - The family member of a person with a disability

2. How do you receive the updates?
 - Mail
 - E-Mail

3. On average, how often do you read the update(s)?
 - Weekly
 - Rarely
 - Every two weeks
 - Never
 - Monthly

4. How do you use the information found in the update(s)?
 - I *never* use the information in the updates for anything.
 - For personal information
 - To write/e-mail a letter to your legislator
 - To talk to your legislator on the telephone
 - To write a letter to the editor
 - To attend a local roundtable discussion with legislators
 - To attend a group-sponsored advocacy day at the Capitol during the session
 - During a visit to the Capitol on your own
 - At a legislative breakfast
 - At an educational legislative forum in the Capitol
 - To prepare for a board meeting
 - To talk with others in my community
 - Other _____

5. During the past year, with whom have you shared information found in the updates?
 - With family
 - With others in your office
 - With board members
 - With Internet subscriber lists
 - With friends
 - With others in your profession
 - With associations that you are a member of
 - I don't share the update information with anyone

6. Have you ever taken part in legislative or advocacy trainings?
 - Yes
 - No

7. Is the information contained in the updates?
 - Very current
 - Somewhat out-of-date when I receive the updates
 - Extremely out-of-date when I receive the updates

8. What *one* feature of the legislative update(s) do you find most helpful?
 - The general overview of what is happening at the Capitol.
 - Articles about important, issue specific bills being considered at the Capitol.
 - Articles about bills of specific interest to you and the group that you belong to.
 - The bill-tracking list with detailed descriptions
 - Information on how to impact legislative action
 - Contact information for state and federal officials

9. On a scale of 1 to 5 (1 being not helpful and 5 being extremely helpful) how would you rate the following:

The general overview of what is happening at the Capitol
1 2 3 4 5
Not helpful Extremely helpful

Articles about important, issue specific bills being considered at the Capitol
1 2 3 4 5
Not helpful Extremely helpful

Articles about bills of specific interest to you and the group that you belong to
1 2 3 4 5
Not helpful Extremely helpful

The bill-tracking list with detailed descriptions
1 2 3 4 5
Not helpful Extremely helpful

Information on how to impact legislative action
1 2 3 4 5
Not helpful Extremely helpful

Contact information for state and federal officials
1 2 3 4 5
Not helpful Extremely helpful

10. What can we do to improve the legislative update(s) you read?

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