



BILL SUMMARY

Federal Block Grant HF 624

Status of Bill: House
Committee: Appropriations (25-0)
Lead Democrats: Rep. Running-Marquardt
Floor Manager: Rep. Hinson
Research Analyst: Anna Hyatt 515-281-5939
anna.hyatt@legis.iowa.gov

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Background

HF 624 is the authorizing legislation for the receipt and expenditure of federal funds in the amounts the state is anticipated to receive in Federal Fiscal Years 2018 and 2019. The bill also provides the mechanism for the State to receive federal block grant funds provided in specific federally designated areas for the same federal fiscal years. The State is anticipated to receive \$426.3 million in federal funds in FFY 2018, and \$332.5 million in FFY 2019. The Legislature considers this legislation with every new General Assembly, and unless otherwise noted, the bill becomes effective upon enactment.

Summary

Prevention and Treatment of Substance Abuse Block Grant – The Department of Public Health (DPH) is anticipated to receive \$13 million in both FFY 2018 and 2019. No more than 5% of the grant can be used for administrative expenses in each fiscal year. The bill also specifies that the DPH shall not spend less in State FY 2018 for the treatment of pregnant women and women with dependent children than was spent in FY 2017 and in State FY 2019 no less than expended in FY 2018. At least 20% of the remaining funds are to be allocated for prevention programs. The department is required to apply federal nondiscrimination requirements for religious or other nongovernmental organizations that may provide services when implementing the block grant.

Community Mental Health Services Block Grant – The Department of Human Services is anticipated to receive \$4 million in both FFY 2018 and 2019. The purpose of the grant is to improve mental health service systems. The department is required to allocate no less than 95% of the funds to community mental health services providers. Of these funds, 70% are distributed to the State's accredited community mental health centers for the purposes of developing and providing evidenced-based practices and emergency services to adults with serious mental illness and children with serious emotional disturbance. The bill requires the funds be distributed on a quarterly basis and the recipients are required to submit quarterly reports. The department is allowed to use up to 5% of the funds for administrative expenses, which includes auditing costs.

Maternal and Child Health Services Block Grant – The Department of Public Health is anticipated to receive \$6.5 million in both FFY 2018 and 2019. The department is required to expend the funds according to federal law and in conformance with administrative procedures. The bill prohibits the use of the funds to pay for indirect costs at the University of Iowa Hospitals and Clinics, and cannot use more than 10% of the funds in each fiscal year for administrative expenses. The Departments of Public Health, Human Services, Education, and the University of Iowa's Mobile and Regional Child Health Specialty Clinics are required to continue to coordinate and integrate services to women and children.

After the above allocations, 63% of the remaining funds are required to be allocated for maternal and child health programs with an allocation of \$300,291 in each fiscal year set aside for the Statewide Perinatal Care Program. The other 37% of the remaining funds are required to be allocated to the Mobile and Regional Child Health Specialty Clinics operated by the University of Iowa Hospitals and Clinics.

The bill also requires the Department of Public Health to administer the Statewide Maternal and Child Health Program and Disability Children's Program.

Preventative Health and Health Services Block Grant – The Department of Public Health is anticipated to receive \$1.7 million in both FFY 2018 and 2019. The department is required to expend the funds according to federal law and in conformance with administrative procedures. The department is allowed to use up to 10% of the funds for administrative expenses. The bill requires that the funds designated by the federal government be allocated to services to victims of sex offenses and for rape prevention education. The remaining funds may be used by the department for the Healthy People 2020 program and Iowa's Health Improvement Plan 2012-2016 program objectives, the preventive health advisory committee, and risk reduction services. These funds are not to be used by the University of Iowa Hospitals and Clinics or by the State Hygienic Laboratory for the funding of indirect costs.

Federal Stop Violence Against Women Block Grant – The Department of Justice (Attorney General's Office) is anticipated to receive \$1.7 million in both FFY 2018 and 2019. The department is required to expend the funds according to federal law and in conformance with administrative procedures. The Department is allowed to use up to 10% of the funds for administrative expenses, which includes the costs of the auditing.

Residential Substance Abuse Treatment for State Prisoners Formula Grant Program – The Governor's Office of Drug Control Policy is anticipated to receive \$94,916 in both FFY 2017 and 2019. The Drug Policy Coordinator is required to expend the funds according to federal law and in conformance with administrative procedures.

Edward Byrne Memorial Justice Assistance Grant Program - The Governor's Office of Drug Control Policy is anticipated to receive \$1.8 million in both FFY 2018 and FFY 2019. The Drug Policy Coordinator is required to expend the funds according to federal law and in conformance with administrative procedures.

Community Services Block Grant – The Division of Community Action Agencies under the Department of Human Rights is anticipated to receive \$7.7 million in both FFY 2018 and 2019. The department is required to expend the funds according to federal law and in conformance with administrative procedures. At least 96% of the funds are required to go to eligible community action agencies for programs benefiting low-income persons. Each agency is required to receive a minimum allocation of at least \$100,000, and the funds are to be distributed based on the poverty level of the population served by the agency relative to poverty level population of the state. The department is allowed to use no more than 4% of the funds for administration costs, which includes the costs of audits.

Community Development Block Grant – The Economic Development Authority is anticipated to receive \$22.5 million in both FFY 2018 and 2019. The authority is required to expend the funds according to federal law and in conformance with administrative procedures. The bill sets a limit of \$1 million that can be used for administrative and auditing costs, with no more than \$550,000 coming from the Community Development Block Grant funds and \$450,000 state matching funds, for FFY 2018. The bill sets a limit of \$1,000,000 that can be used for administrative and auditing costs, with no more than \$550,000 coming from the Community Development Block Grant funds and \$450,000 state matching funds, for FFY 2019.

HUD Disaster Relief – Reducing Flooding & Advancing Water Quality – The Economic Development Authority receives just under \$97 million from the Disaster Relief Appropriations Act of 2013. This is a new item in the bill and it was awarded from the National Disaster Resilience Competition that was funded by HUD and the Rockefeller Foundation. The authority is permitted to use up to 3% for administrative expenses, including the costs incurred by the State Auditor for auditing purposes. The remaining monies must be used for reducing flooding

and advancing water quality in the following nine Watershed Management Authorities: Bee Branch Creek, Upper Iowa River, Upper Wapsipicon River, Middle Cedar River, Clear Creek, English River, North Raccoon River, and East Nishnabotna River. This section is retroactive to October 1, 2014.

Surface Transportation Block Grant Program – The Department of Transportation is anticipated to receive \$152.5 million in FFY 2018, and \$152.2 million in FFY 2019. The money is to be used by the State Transportation Commission for projects at the state and local level in accordance with federal law and in conformance with administrative procedures. While this funding is not new to the Department of Transportation, it was contained in the Transportation Budget bill last year.

Low-Income Home Energy Assistance Block Grant - The Division of Community Action Agencies under the Department of Human Rights is anticipated to receive \$52.9 million in both FFY 2018 and 2019. The department is required to expend the funds according to federal law and in conformance with administrative procedures. The bill allows up to 15%, or 25% with a waiver, of the funds to be utilized for residential weatherization or other related home repairs for low-income households. Up to 10% of the weatherization allocation can be used for administrative expenses.

Up to 10% of the remaining funds can be allocated for administration expenses for the low-income home energy assistance program, of which \$377,000 is allocated each year for administrative expenses of the division and auditing costs. The remaining funds are to be used for home energy costs. The division is allowed to carry-forward no more than 10% of the available funds and not more than 5% of the available funds are to be used for energy problem assessments and resolutions.

Social Services Block Grant - The Department of Human Services is anticipated to receive \$15.3 million in both FFY 2018 and 2019, and is required to expend the funds according to federal law and in conformance with administrative procedures. In each federal fiscal year, the department is authorized to use no more than \$910,649 for administrative and audit expenses. The remaining funds in each fiscal year are to be allocated as follows:

- Field operations: \$5.4 million in each fiscal year.
- Children and family services: \$7.6 million in each fiscal year.
- Local administrative costs and other local services: \$577,636 in each fiscal year.
- Volunteers: \$63,241 in each fiscal year.
- Distribution to counties or regions for state case service for persons with mental illness and intellectual disability, or a developmental disability: \$600,000 million in each fiscal year.

The bill requires the department to develop a plan for the use of federal Social Services Block Grant Funds for the subsequent State fiscal year. The contents of the plan are required to be submitted with the department's budget request to the Governor and the General Assembly.

Projects for Assistance in Transition From Homelessness - The Department of Human Services is required to utilize any formula grants provided in FFY 2018 and 2019, for the project for assistance in transition from homelessness. (The bill does not identify a dollar amount, it allocates any funds the state receives as determined by the federal allocation formula.) The formula grants are required to do all the following:

- Provide outreach and engagement to homeless individuals and individuals at risk of homelessness and assesses those individuals for serious mental illness.
- Enroll those individuals with serious mental illness who are willing to accept services through the project.
- Provide case management to homeless persons.
- Provide appropriate training to persons who provide services to persons targeted by the grant.
- Assure a local match share of 25%.
- Refer homeless individuals and individuals at risk of homelessness to primary health care, job training, educational services, and relevant housing services.

The bill allows a project to use funds for community mental health services, diagnostic services, crisis interven-

tion services, habilitation and rehabilitation services, substance-related disorder services, supportive, and supervisory services to homeless persons living in residential settings that are not otherwise supported, and housing services including minor renovation, expansion, and repair of housing, security deposits, planning of housing, technical assistance in applying for housing, improving the coordination of housing services, the costs associated with matching eligible homeless individuals with appropriate housing, and one-time rental payments to prevent eviction.

Child Care and Development Block Grant – The Department of Human Services is anticipated to receive \$49.5 million in FFY 2018 and \$49.8 million in FFY 2019, and is required to expend the funds according to federal law and in conformance with administrative procedures. The bill authorizes any remaining unencumbered or unobligated at the close of the fiscal year to be carried forward for the same purpose in the succeeding fiscal year.

Procedures for Reduced Federal Funds - The bill directs the Governor to prorate the funds to the various programs on the same percentage basis, as specified in this bill, except for the services for victims of sex offenses and for rape prevention education, if funding received from the federal government is less than the amount appropriated. If the Governor determines that the funds allocated by the percentages will not be sufficient to accomplish the purposes of a particular program, the Governor may allocate the funds in a manner to accomplish to the greatest extent possible the purposes of the various programs.

Before the governor implements the proration, the following procedures must be taken:

- The chairpersons and ranking members of the senate and house standing committees on appropriations, the appropriate chairpersons and ranking members of subcommittees of those committees, and the director of the legislative services agency shall be notified of the proposed action.
- The notice shall include the proposed allocations, information on the reasons why particular percentages or amounts of funds are allocated to the individual programs, the departments and programs affected, and other information deemed useful. Chairpersons and ranking members notified shall be allowed at least two weeks to review and comment on the proposed action before the action is taken.

Procedure for Increased Federal Funds – If the block grant funds exceed the amounts appropriated for substance abuse, community mental health services, maternal and child health services, preventative health and health services, Byrne grants, community development, and social services, the excess is required to be prorated to the appropriate programs according to the percentages specified in the bill, except additional funds shall not be prorated for administrative expenses.

If there are excess funds for the low-income home energy assistance program, not more than 15% of the excess may be allocated to the low-income residential weatherization program and not more than 10% of the excess may be used for administrative costs. If there are excess funds in the community services block grants 100% of the excess is allocated to the community services block grant program.

Procedure for Expenditure of Additional Federal Funds - If other federal grants, receipts, and funds and other nonstate grants, receipts, and funds become available or are awarded, which are not available or awarded during the period in which the general assembly is in session, but which require expenditure by the applicable department or agency prior to March 15 of the fiscal years beginning July 1, 2017, and July 1, 2018, these grants, receipts, and funds are appropriated to the extent necessary, provided that the fiscal committee of the legislative council is notified within 30 days of receipt of the grants, receipts, or funds and the fiscal committee of the legislative council has an opportunity to comment on the expenditure of the grants, receipts, or funds.

Other Grants, Receipts, and Funds - The bill also appropriates to the following agencies federal grants, receipts, and funds and other nonstate grants, receipts, and funds, available in whole or in part for State FY 2018 and FY 2019, for the purposes designated in the grants, receipts, or conditions accompanying the receipt of the funds, unless otherwise provided by law:

- Department of Administrative Services.
- Department on Aging.
- Department of Agriculture and Land Stewardship.
- Office of Auditor of State.
- Department for the Blind.
- Iowa State Civil Rights Commission.
- College Student Aid Commission.
- Department of Commerce.
- Department of Corrections.
- Department of Cultural Affairs.
- Economic Development Authority.
- Department of Education.
- Iowa Ethics and Campaign Disclosure Board.
- Iowa Finance Authority.
- Offices of the Governor and Lieutenant Governor.
- Governor's Office of Drug Control Policy.
- Department of Human Rights.
- Department of Human Services.
- Department of Inspections and Appeals.
- Judicial Branch.
- Department of Justice.
- Iowa Law Enforcement Academy.
- Department of Management.
- Department of Natural Resources.
- Board of Parole.
- Department of Public Defense.
- Public Employment Relations Board.
- Department of Public Health.
- Department of Public Safety.
- State Board of Regents.
- Department of Revenue.
- Office of Secretary of State.
- Iowa State Fair Authority.
- Office for State-Federal Relations.
- Iowa Telecommunications and Technology Commission.
- Office of Treasurer of State.
- Department of Transportation.
- Department of Veterans Affairs.
- Department of Workforce Development.