

MAR 3 2006  
Place On Calendar

HOUSE FILE 2644  
BY COMMITTEE ON HUMAN RESOURCES

(SUCCESSOR TO HSB 562)

Passed House, Date 3-13-06 Passed Senate, Date 3-14-06  
Vote: Ayes 97 Nays 0 Vote: Ayes 50 Nays 0  
Approved March 29, 2006

A BILL FOR

1 An Act relating to department of human services' technical  
2 requirements involving individual development accounts, family  
3 investment program limited benefit plans, paternity  
4 establishment definitions, and the state child care assistance  
5 program, and including effective date and retroactive  
6 applicability provisions.

7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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HF 2644

DIVISION I

INDIVIDUAL DEVELOPMENT ACCOUNTS

Section 1. Section 450.4, subsection 6, Code 2005, is amended to read as follows:

6. On property in an individual development account in the name of the decedent that passes to another individual development account ~~or-the-state-human-investment-reserve-pool created-in-section-541A-4~~. For purposes of this subsection, "individual development account" means an account that has been certified as an individual development account pursuant to chapter 541A.

Sec. 2. Section 541A.1, subsection 9, Code 2005, is amended by striking the subsection.

Sec. 3. Section 541A.2, subsection 2, paragraph b, Code 2005, is amended by striking the paragraph.

Sec. 4. Section 541A.2, subsection 9, Code 2005, is amended to read as follows:

9. In the event of an account holder's death, the account may be transferred to the ownership of a contingent beneficiary or to the individual development account of another account holder. An account holder shall name contingent beneficiaries or transferees at the time the account is established and a named beneficiary or transferee may be changed at the discretion of the account holder. ~~If the-named-beneficiary-or-transferee-is-deceased-or-otherwise cannot-accept-the-transfer,-the-moneys-shall-be-transferred-to the-reserve-pool-~~

Sec. 5. Section 541A.3, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

Payment by the state of a savings refund on amounts of up to two thousand dollars per calendar year that an account holder deposits in the account holder's account. Moneys transferred to an individual development account from another individual development account and a savings refund received by the account holder in accordance with section 541A.3 shall

1 not be considered an account holder deposit for purposes of  
2 determining a savings refund. Payment of a savings refund  
3 either shall be made directly to the account holder's-account  
4 holder or to an operating organization's central reserve  
5 account for later distribution to the account holder's-account  
6 holder in the most appropriate manner as determined by the  
7 administrator. The state savings refund shall be the  
8 indicated percentage of the amount deposited:

9 Sec. 6. Section 541A.3, subsection 5, Code 2005, is  
10 amended to read as follows:

11 5. The administrator shall coordinate the filing of claims  
12 for savings refunds authorized under subsection 1, between  
13 account holders, operating organizations, and the department  
14 of administrative services. Claims approved by the  
15 administrator may be paid by the department of administrative  
16 services to each account holder, for an aggregate amount for  
17 distribution to the holders of the accounts in a particular  
18 financial institution, or to an operating organization's  
19 central reserve account for later distribution to the account  
20 holders'accounts holders depending on the efficiency for  
21 issuing the refunds. Claims shall be initially filed with the  
22 administrator on or before a date established by the  
23 administrator. Claims approved by the administrator shall be  
24 paid from the general fund of the state in the manner  
25 specified in section 422.74.

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

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

31 DIVISION II

32 FAMILY INVESTMENT PROGRAM -- LIMITED BENEFIT PLAN

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

35 a. If a participant responsible for signing and fulfilling

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

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

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

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

30 c. MINOR PARENT LIVING WITH ADULT PARENT OR SPECIFIED  
31 RELATIVE. If the participant family includes a minor parent  
32 living with the minor parent's adult parent or specified  
33 relative who receives family investment program assistance and  
34 both individuals are responsible for developing a family  
35 investment agreement, each individual is responsible for a

1 separate family investment agreement, and the limited benefit  
2 plan shall be applied as follows:

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

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

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

17 DIVISION III

18 PATERNITY ESTABLISHMENT

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

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

27 DIVISION IV

28 STATE CHILD CARE ASSISTANCE PROGRAM

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

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

35 d. Families with an income at or below ~~one~~ two hundred

1 **seventy-five** percent of the federal poverty level whose  
2 members are employed at least twenty-eight hours per week with  
3 a special needs child as a member of the family.

4 EXPLANATION

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

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

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

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

34 Code section 541A.2, subsection 2, paragraph "b", is  
35 stricken to conform with the bill's requirement for direct

1 payment of a savings refund to the account holder. In  
2 addition, Code section 541A.3 is amended to provide that a  
3 savings refund deposited by an account holder cannot be  
4 counted as an account holder deposit for purposes of  
5 determining a savings refund.

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

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

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

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

1 child care assistance program. Under 2005 Iowa Acts, chapter  
2 175, section 14, the upper income eligibility requirements for  
3 the program were increased for families, whose members are  
4 employed at least 28 hours per week with an income of more  
5 than 100 percent of the federal poverty level, from 140  
6 percent to 145 percent of the federal poverty level, and for  
7 families, whose members are employed at least 28 hours per  
8 week with a special needs child as a member of the family,  
9 from 175 to 200 percent of the federal poverty level. Code  
10 section 237A.13 is amended to make permanent these changes in  
11 the waiting list requirements for the program.

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Wilderdyke, Chair  
Kurtenbach  
Hunter

HSB 562  
HUMAN RESOURCES

SENATE/HOUSE FILE OF HR 2644  
BY (PROPOSED DEPARTMENT OF  
HUMAN SERVICES BILL)

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

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DIVISION I

INDIVIDUAL DEVELOPMENT ACCOUNTS

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3 Section 1. Section 450.4, subsection 6, Code 2005, is  
4 amended to read as follows:

5 6. On property in an individual development account in the  
6 name of the decedent that passes to another individual  
7 development account ~~or the state human investment reserve pool~~  
8 ~~created in section 541A.4~~. For purposes of this subsection,  
9 "individual development account" means an account that has  
10 been certified as an individual development account pursuant  
11 to chapter 541A.

12 Sec. 2. Section 541A.1, subsection 9, Code 2005, is  
13 amended by striking the subsection.

14 Sec. 3. Section 541A.2, subsection 2, paragraph b, Code  
15 2005, is amended by striking the paragraph.

16 Sec. 4. Section 541A.2, subsection 9, Code 2005, is  
17 amended to read as follows:

18 9. In the event of an account holder's death, the account  
19 may be transferred to the ownership of a contingent  
20 beneficiary or to the individual development account of  
21 another account holder. An account holder shall name  
22 contingent beneficiaries or transferees at the time the  
23 account is established and a named beneficiary or transferee  
24 may be changed at the discretion of the account holder. ~~If~~  
25 ~~the named beneficiary or transferee is deceased or otherwise~~  
26 ~~cannot accept the transfer, the moneys shall be transferred to~~  
27 ~~the reserve pool.~~

28 Sec. 5. Section 541A.3, subsection 1, unnumbered paragraph  
29 1, Code 2005, is amended to read as follows:

30 Payment by the state of a savings refund on amounts of up  
31 to two thousand dollars per calendar year that an account  
32 holder deposits in the account holder's account. Moneys  
33 transferred to an individual development account from another  
34 individual development account and a savings refund received  
35 by the account holder in accordance with section 541A.3 shall

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4 holder or to an operating organization's central reserve  
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7 administrator. The state savings refund shall be the  
8 indicated percentage of the amount deposited:

9 Sec. 6. Section 541A.3, subsection 5, Code 2005, is  
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11 5. The administrator shall coordinate the filing of claims  
12 for savings refunds authorized under subsection 1, between  
13 account holders, operating organizations, and the department  
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15 administrator may be paid by the department of administrative  
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17 distribution to the holders of the accounts in a particular  
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20 ~~holders'-accounts~~ holders depending on the efficiency for  
21 issuing the refunds. Claims shall be initially filed with the  
22 administrator on or before a date established by the  
23 administrator. Claims approved by the administrator shall be  
24 paid from the general fund of the state in the manner  
25 specified in section 422.74.

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

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

31 DIVISION II

32 FAMILY INVESTMENT PROGRAM -- LIMITED BENEFIT PLAN

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

35 a. If a participant responsible for signing and fulfilling

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

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21 2005, is amended to read as follows:

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24 applicable to the entire participant family. ~~If the family~~  
25 ~~reapplies for assistance after an ineligibility period,~~  
26 ~~eligibility shall be established in the same manner as for any~~  
27 ~~other new applicant.~~

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

30 c. MINOR PARENT LIVING WITH ADULT PARENT OR SPECIFIED  
31 RELATIVE. If the participant family includes a minor parent  
32 living with the minor parent's adult parent or specified  
33 relative who receives family investment program assistance and  
34 both individuals are responsible for developing a family  
35 investment agreement, each individual is responsible for a

1 separate family investment agreement, and the limited benefit  
2 plan shall be applied as follows:

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

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

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15 plan, the requirements of the limited benefit plan shall apply  
16 only to the specified relative.

17 DIVISION III

18 PATERNITY ESTABLISHMENT

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

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

27 DIVISION IV

28 STATE CHILD CARE ASSISTANCE PROGRAM

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

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

35 d. Families with an income at or below ~~one~~ two hundred

1 ~~seventy-five~~ percent of the federal poverty level whose  
2 members are employed at least twenty-eight hours per week with  
3 a special needs child as a member of the family.

4 EXPLANATION

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

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

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

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

34 Code section 541A.2, subsection 2, paragraph "b", is  
35 stricken to conform with the bill's requirement for direct

1 payment of a savings refund to the account holder. In  
2 addition, Code section 541A.3 is amended to provide that a  
3 savings refund deposited by an account holder cannot be  
4 counted as an account holder deposit for purposes of  
5 determining a savings refund.

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

8 DIVISION II -- FAMILY INVESTMENT PROGRAM -- LIMITED BENEFIT  
9 PLAN. This division makes changes to statutory provisions  
10 involving the family investment program in Code chapter 239B.  
11 An existing exemption in Code section 239B.9 is eliminated  
12 that prohibits application of a limited benefit plan to a  
13 participant who is exempt from participation in the job  
14 opportunity and basic skills (JOBS) program. A provision is  
15 eliminated that provides that if a family has been subject to  
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17 program, the eligibility requirements for the family are the  
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20 chooses a limited benefit plan, the limited benefit plan is  
21 applied only to the specified relative rather than to the  
22 entire family.

23 DIVISION III -- PATERNITY ESTABLISHMENT. This division  
24 provides a new definition of the term "child" in Code chapter  
25 252F, relating to paternity establishment. The new definition  
26 provides that a child is a person who is either less than age  
27 18 or is age 18 but less than age 19 and is engaged in  
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31 age 19. The term is used, among other things, in establishing  
32 a support debt for the person determined to be the child's  
33 father.

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

1 child care assistance program. Under 2005 Iowa Acts, chapter  
2 175, section 14, the upper income eligibility requirements for  
3 the program were increased for families, whose members are  
4 employed at least 28 hours per week with an income of more  
5 than 100 percent of the federal poverty level, from 140  
6 percent to 145 percent of the federal poverty level, and for  
7 families, whose members are employed at least 28 hours per  
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11 the waiting list requirements for the program.

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## STATE OF IOWA

THOMAS J. VILSACK, GOVERNOR  
SALLY J. PEDERSON, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
KEVIN W. CONCANNON, DIRECTOR

January 13, 2006

To: Members of the General Assembly

From: Alisa Morris

The Iowa Department of Human Services (DHS) is proposing legislation relating to the following sections:

- Section 450.4, subsection 6 and Section 541A: Individual Development Accounts;
- Section 239B.9, subsection 2: the Family Investment Program – Limited Benefit Plans;
- Section 252F.1, Paternity Establishment – Definitions; and
- Section 237A.13 State Child Care Assistance.

The changes involved with the Family Investment Program – Limited Benefit Plan clarify and correct Code to coincide with previous law and administrative rule changes. These changes are not related to a policy change nor do they have a fiscal impact.

The changes related to Individual Development Accounts provide clarification and eliminate obsolete references to a pilot phase. The changes are technical only and do not constitute any new policy changes and have no fiscal impact.

The definition of “child” adds standard language for the duration of child support to chapter 252F to coincide with language previously added by SF 330 in 2005 to other paternity and support chapters. It is a technical change not related to a policy change and does not have a fiscal impact.

The changes related to the State Child Care Assistance Program are necessary to align the new eligibility levels that went into effect 9/1/05 with language for priority groups during periods of waiting lists. The changes are technical only and do not constitute any new policy changes and have no fiscal impact.

HOUSE FILE 2644

AN ACT

RELATING TO DEPARTMENT OF HUMAN SERVICES' TECHNICAL REQUIREMENTS INVOLVING INDIVIDUAL DEVELOPMENT ACCOUNTS, FAMILY INVESTMENT PROGRAM LIMITED BENEFIT PLANS, PATERNITY ESTABLISHMENT DEFINITIONS, AND THE STATE CHILD CARE ASSISTANCE PROGRAM, AND INCLUDING EFFECTIVE DATE AND RETROACTIVE APPLICABILITY PROVISIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

DIVISION I

INDIVIDUAL DEVELOPMENT ACCOUNTS

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6. On property in an individual development account in the name of the decedent that passes to another individual development account ~~or the state human investment reserve pool created in section 541A.4~~. For purposes of this subsection, "individual development account" means an account that has been certified as an individual development account pursuant to chapter 541A.

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~~may be changed at the discretion of the account holder. If the named beneficiary or transferee is deceased or otherwise cannot accept the transfer, the moneys shall be transferred to the reserve pool.~~

Sec. 5. Section 541A.3, subsection 1, unnumbered paragraph 1, Code 2005, is amended to read as follows:

Payment by the state of a savings refund on amounts of up to two thousand dollars per calendar year that an account holder deposits in the account holder's account. Moneys transferred to an individual development account from another individual development account and a savings refund received by the account holder in accordance with section 541A.3 shall not be considered an account holder deposit for purposes of determining a savings refund. Payment of a savings refund either shall be made directly to the account holder's account holder or to an operating organization's central reserve account for later distribution to the account holder's account holder in the most appropriate manner as determined by the administrator. The state savings refund shall be the indicated percentage of the amount deposited:

Sec. 6. Section 541A.3, subsection 5, Code 2005, is amended to read as follows:

5. The administrator shall coordinate the filing of claims for savings refunds authorized under subsection 1, between account holders, operating organizations, and the department of administrative services. Claims approved by the administrator may be paid by the department of administrative services to each account holder, for an aggregate amount for distribution to the holders of the accounts in a particular financial institution, or to an operating organization's central reserve account for later distribution to the account ~~holders' accounts~~ holders depending on the efficiency for issuing the refunds. Claims shall be initially filed with the administrator on or before a date established by the administrator. Claims approved by the administrator shall be paid from the general fund of the state in the manner specified in section 422.74.

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

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

DIVISION II

FAMILY INVESTMENT PROGRAM -- LIMITED BENEFIT PLAN

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

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

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

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

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

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

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

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

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

DIVISION III

PATERNITY ESTABLISHMENT

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

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

DIVISION IV

STATE CHILD CARE ASSISTANCE PROGRAM

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

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

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

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CHRISTOPHER C. RANTS  
Speaker of the House

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JOHN P. KIBBIE  
President of the Senate

I hereby certify that this bill originated in the House and is known as House File 2644, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK  
Governor