

CHAPTER 14  
IOWA WELFARE-TO-WORK PROGRAM

**877—14.1(84A,PL105-33) Designation of responsibility.** The department of workforce development was designated by the governor as the department responsible for activities and services under the Welfare-to-Work Program authorized by the Balanced Budget Act of 1997 (P.L. 105-33).

**877—14.2(84A,PL105-33) Purpose.** The purpose of the Iowa welfare-to-work program is to provide transitional assistance which moves welfare recipients into unsubsidized employment providing good career potential for achieving economic self-sufficiency. In addition, the program is intended to assist the state and local communities to achieve welfare reform goals and to meet the requirements of the Personal Responsibility and Work Opportunity Reconciliation Act (P.L. 104-193).

**877—14.3(84A,PL105-33) Definitions.**

“*Coordinating service provider*” means an organization formed through a 28E agreement to deliver workforce development products and services within a service delivery area.

“*Department*” means the department of workforce development.

“*Private industry council*” means a council as defined in 877—Chapter 12, Iowa Administrative Code.

“*Program operator*” means an entity designated by the private industry council and regional advisory board to directly receive funds and administer a welfare-to-work program in a service delivery area.

“*Regional advisory board*” means an advisory board as defined in 877—Chapter 6, Iowa Administrative Code.

“*Service delivery area*” means a region within the state designated by the state workforce development board for the purposes of the Job Training Partnership Act.

“*Subrecipient*” means an entity that receives funds from a program operator to deliver direct client services.

**877—14.4(84A,PL105-33) Private industry council and regional advisory board.** In each region that is to receive funding, the private industry council and regional advisory board jointly approve a welfare-to-work proposal which designates a local program operator(s) to serve as the grantee to receive and expend welfare-to-work funds. In addition to proposal approval, the private industry council and regional advisory board are jointly responsible for the local oversight of the implementation of the welfare-to-work program.

**877—14.5(84A,PL105-33) Certifications.** All program operators must certify, as a condition to receive funding, compliance with the following laws and implementing regulations:

1. Title IV, Part A of the Social Security Act, as amended by the Balanced Budget Act of 1997 (P.L. 105-33).
2. U.S. Department of Labor (DOL) implementing regulations as described in 20 CFR Part 645.
3. DOL administrative regulations (20 CFR Parts 31, 32 and 34).
4. Age Discrimination Act of 1975 (P.L. 90-202) and DOL implementing regulations.
5. Civil Rights Act of 1964 (P.L. 88-352) and DOL implementing regulations (29 CFR Part 31).
6. Americans with Disabilities Act of 1990 (P.L. 101-336) and Department of Justice implementing regulations (8 CFR 274a).

7. Section 504 of the Rehabilitation Act of 1975 (P.L. 93-651).
8. DOL nonprocurement, debarment, and suspension regulations (49 CFR Part 29).
9. Iowa civil rights Act of 1965, as amended.
10. OMB Circulars on Uniform Administrative Requirements (29 CFR Parts 95 and 97).
11. Fair Labor Standards Act of 1938 as amended (P.L. 95-151) and DOL implementing regulations (29 CFR 570-580).
12. Other relevant regulations as noted in the Iowa welfare-to-work handbook.

**877—14.6(84A,PL105-33) Regional allocation formula.** Eighty-five percent of welfare-to-work funds received by the state shall be allocated to the service delivery areas based upon a formula. The remaining 15 percent shall be retained by the department for competitive projects to help long-term recipients of family investment program (FIP) funds and noncustodial parents enter unsubsidized jobs approved by the state workforce development board; purchases of hardware and software to track program participation; expenditures to integrate the welfare-to-work program into the department's integrated customer service system; and administrative program oversight, including staff training and technical assistance.

The service delivery area formula shall be calculated using the following factors: the percentage of persons in poverty above 7.5 percent in an area; the number of adult recipients of public assistance for 30 months or more in an area; and the number of unemployed persons in an area. The formula must base at least 50 percent of the allocation on the number of persons in poverty.

If an area receives less than \$100,000 under the formula, the state workforce development board has the option to allocate 15 percent of the funds to increase an area's allocation to the \$100,000 threshold or deny funds to the area and use the funds allocated to the area for activities authorized for the 15 percent pool.

**877—14.7(84A,PL105-33) Eligible program operators.** To be designated as a program operator, an organization must be a member of the region's coordinating service provider or be willing to join the region's coordinating service provider.

**877—14.8(84A,PL105-33) Proposal requirements.** Each regional welfare-to-work proposal shall contain the following elements:

1. Designation of a program operator(s) to receive and expend the welfare-to-work funds.
2. Identification of how funds may be targeted to serve specific groups within the eligible population.
3. Description of the types of services to be provided.
4. Description of how program services will be coordinated with the PROMISE JOBS program, the Iowa department of human services, and other regional employment and training activities and support services available in the service delivery area.
5. Description of how the welfare-to-work program will be integrated into the regional workforce development center services.

After appropriate approval by the private industry council and regional advisory board, the proposal shall be incorporated into the region's workforce development customer service plan.

The approved proposal must be submitted to the department for review and approval of the state workforce development board. The regional proposals will be the basis of the department's submittal of a state plan for welfare-to-work required by the Department of Labor.

**877—14.9(84A,PL105-33) Matching requirements.** As a condition of receiving welfare-to-work state funds, each program operator must provide an appropriate match in the form of either cash or in-kind services. In-kind services must be necessary expenses related to the program's operation and allowable under state and federal regulations. Specific matching requirements will be issued with the annual planning instructions.

**877—14.10(84A,PL105-33) Service requirements.** At least 70 percent of the grant funds must be spent on individuals who face two of three specific labor market deficiencies and who are long-term welfare recipients; or who face termination from Temporary Assistance for Needy Families (TANF) within 12 months; or who are noncustodial parents of minors whose custodial parents meet these criteria. Labor market deficiencies include a lack of a high school diploma or graduate equivalency degree and low reading or math skills; substance abuse treatment prior to employment; and a poor work history.

Up to 30 percent of grant funds may be spent on individuals who are "recent" TANF recipients or noncustodial parents who have characteristics associated with long-term welfare dependence (for example, being a high school dropout, having experienced a teenage pregnancy, or having a poor work history).

**877—14.11(84A,PL105-33) Eligible activities.** Activities conducted with grant funds must be designed with the idea of moving welfare recipients into work first, then providing employment-based activities to allow them to secure and retain unsubsidized employment. The following activities are allowable services using welfare-to-work grant funds.

**14.11(1)** Job readiness activities may be provided by the program operator or financed through job vouchers or through contracts with public or private providers, including training for individuals starting their own businesses.

**14.11(2)** Employment activities include community service programs, work experience programs, job creation through public or private sector employment wage subsidies, on-the-job training, and job placement services. Contracts or vouchers for job placement must include a provision that at least one-half of the payment occurs after the individual has been placed in the workforce for six months.

**14.11(3)** Postemployment services may be provided by the program operator or financed through job vouchers or contracts with subrecipients. Postemployment services include, but are not limited to, basic educational skills training, occupational skills training, English as a second language, and mentoring. These services are only designed for persons who are placed in employment activities, working in subsidized or unsubsidized jobs, self-employed, or participating in a registered apprenticeship program.

**14.11(4)** Job retention services and support services can be provided to all participants engaged in job readiness and employment activities or in any subsidized or unsubsidized job. Allowable services include, but are not limited to, transportation, substance abuse treatment (not medical treatment), child care assistance, and emergency or short-term housing. These services may be provided by welfare-to-work funds only if the services are not otherwise available through other funding sources, such as PROMISE JOBS, state child care assistance, substance abuse prevention and treatment block grants, or other state or local funds.

**14.11(5)** Each participant will receive an orientation, assessment, and service agreement after enrollment in the program.

**877—14.12(84A,PL105-33) Grant agreements.** Each program operator will receive a financial agreement for the administration of welfare-to-work grant funds. The service delivery area's welfare-to-work proposal will be incorporated into the agreement.

**877—14.13(84A,PL105-33) Performance standards.** Performance standards for program operators will be issued annually, and progress will be reviewed monthly. At a minimum, the performance standards will include the following:

1. Increase the percentage of family investment program (FIP) participants with earned income.
2. Increase the statewide average wage level of those leaving FIP.
3. Increase the percentage of persons not returning to FIP.
4. Increase the amount of child support paid to children of FIP participants through the participation of noncustodial parents in the welfare-to-work program.

**877—14.14(84A,PL105-33) Grant reporting and compliance review.** Program operators are required to submit a monthly financial report, quarterly progress reports and a final financial and performance report to the department.

Compliance review will be conducted through three types of review: quarterly performance reviews, program compliance reviews, and financial management compliance reviews.

**14.14(1) Quarterly performance review.** The review includes a review of enrollment activity and demographics of participants, actual expenditures compared to planned expenditures, required match, allowable cost categories, and performance achievement.

**14.14(2) Annual compliance review.** The review is conducted on site in each service delivery area by a state welfare-to-work coordinator. The comprehensive review includes a review of participant files to confirm participant eligibility, compliance with policies on program activities and services, a review of the management information system, local monitoring activities, compliance with local plans, and a review of local administrative procedures.

**14.14(3) Financial management compliance review.** The review is conducted on site twice a year by a budget analyst of the department. The review includes all aspects of local financial management, fiscal controls and accountability, adherence to cost limitations and requirements, and appropriateness of local match.

**877—14.15(84A,PL105-33) Program operator sanctions.** Failure to meet performance or financial management standards may result in sanctions. Sanctions are progressive in severity depending on the willfulness, severity or flagrancy of the violation. If all efforts to correct deficiencies fail, the department may seek an alternative program operator(s) for the service delivery area. Sanctions that may be imposed are listed below.

1. Disallowance of costs associated with the particular violation or deficiency and repayment of the disallowed costs.
2. Discontinuation of fund drawdowns until the violation or deficiency has been corrected.
3. Prohibition of the use of certain subrecipients.
4. Revocation of all or any part of the grant agreement affected.

**877—14.16(84A,PL105-33) Financial management.** Program operators must comply with the financial management standards outlined in rule 877—12.13(7B,PL97-300, PL102-367), Iowa Administrative Code.

**877—14.17(84A,PL105-33) Auditing.** Program operators must comply with the auditing standards outlined in rule 877—12.14(7B,PL97-300,PL102-367), Iowa Administrative Code.

**877—14.18(84A,PL105-33) Debt collection procedures.** Program operators must comply with the debt collection procedures outlined in rule 877—12.15(7B,PL97-300, PL102-367), Iowa Administrative Code.

**877—14.19(84A,PL105-33) Complaint procedures.** Program operators must comply with the complaint procedures outlined in 877—12.19(7B,PL97-300,PL102-367) to 12.21(7B,PL97-300, PL102-367), Iowa Administrative Code.

These rules are intended to implement Iowa Code chapter 84A and P.L. 105-33.

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