ARC 0771D

HUMAN SERVICES DEPARTMENT[441]

Adopted and Filed

Rulemaking related to funding for local services

The Department of Health and Human Services hereby rescinds Chapter 153, "Funding for Local Services," Iowa Administrative Code, and adopts a new Chapter 153 with the same title.

Legal Authority for Rulemaking

This rulemaking is adopted under the authority provided in Iowa Code sections 218.4 and 234.6.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, Iowa Code section 234.6 and 2026 Iowa Acts, Senate File 2488.

Purpose and Summary

This chapter was reviewed as a part of the Red Tape Review process laid out by Executive Order 10. As a result of the Red Tape Review for this chapter, restrictive terms were removed, duplicative information was streamlined, and language was changed to be in line with modern procedures and practices. This chapter sets forth the requirements for reporting required for receipt of federal Social Services Block Grant (SSBG) funds and service availability and allocation methodology related to those funds.

In addition, this rulemaking implements division II of 2026 Iowa Acts, Senate File 2488, which repeals Iowa Code section 232.188, "decategorization of child welfare and juvenile justice funding." Previously, Division II of Chapter 153 detailed the decategorization initiative. Because that initiative has been discontinued, the Department removed Division II of this chapter.

Public Comment and Changes to Rulemaking

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on September 16, 2026, as **ARC 0563D**. Public hearings were held on the following date:

- October 6, 2026

No one attended the public hearings. No public comments were received.

Changes from the Notice have been made. The Department updated the chapter's implementation sentence, as well as the Purpose and Summary section of this preamble, to reflect implementation of division II of 2026 Iowa Acts, Senate File 2488.

Adoption of Rulemaking

This rulemaking was adopted by the Department on October 23, 2026.

Fiscal Impact

The Department's appropriation for Child Protective Services was decreased by $1.7 million to end the Child Protective Services Decategorization Program.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 2504.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its regular monthly meeting or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

Effective Date

This rulemaking will become effective on January 1, 2027.

The following rulemaking action is adopted:

ITEM 1. Rescind 441—Chapter 153 and adopt the following **new** chapter in lieu thereof:

CHAPTER 153
FUNDING FOR LOCAL SERVICES

441—153.1(234) Development of pre-expenditure report and intended use plan.

153.1(1) The department will develop the social services block grant pre-expenditure report and intended use plan on an annual basis. The report and plan will be developed in accordance with 45 CFR Part 96, Subpart G, as amended to August 1, 2026. The report and plan will describe the services to be funded, the areas in which services are available, and the amount of funding available. The plan will also indicate the source of the funding.

153.1(2) The department will issue a proposed pre-expenditure report and intended use plan before publication of the final report and plan. The proposed report and plan will be available for public review and comment.

153.1(3) The department will announce the time and scope of public review each year. The announcement will indicate where the proposed report and plan can be viewed.

153.1(4) The department will accept comments about the pre-expenditure report and intended use plan during the specified public review and comment period.

153.1(5) The department will consider public comments when developing the final pre-expenditure report and intended use plan.

153.1(6) A copy of the final pre-expenditure report and intended use plan will be available on the department's website.

441—153.2(234) Amendment to pre-expenditure report and intended use plan.

153.2(1) The pre-expenditure report and intended use plan may be amended throughout the year. The department may file an amendment changing the type, scope or duration of a service. Decisions to change a direct service or state-purchased service will be made by the department. Prior to filing an amendment, the department will evaluate available funds and the effect any change will have on clients.

153.2(2) An amendment in the pre-expenditure report and intended use plan will be posted on the department's website at least 30 days prior to the effective date of the change. However, in the event funding for the service has been exhausted, an amendment will be posted immediately notifying the public that the service will no longer be available.

a. The department will, whenever possible, give advance notice of a service termination made necessary because funds have been exhausted.

b. When a service is added or extended, an amendment may be posted immediately, and a 30-day posting period is not required.

153.2(3) Individuals or groups may submit written comments to the department.

153.2(4) Nothing in this rule will supersede the requirement for notifying clients of adverse action as provided in rule 441—130.5(234).

441—153.3(234) Service availability.

153.3(1) A client seeking services shall apply for services from the department.

a. The department will determine eligibility according to rule 441—130.3(234).

b. The department will develop a case plan to monitor the client's progress toward achieving goals as identified in rule 441—130.7(234).

153.3(2) A client shall receive a service for which the client is eligible, subject to the provisions of 441—Chapter 130, when the service is listed in the geographic area in which the client resides.

153.3(3) When federal law prohibits the use of federal funds for the social services block grant, state funds shall be used to pay for services to persons the department has defined as eligible.

441—153.4(234) Allocation of block grant funds.

153.4(1) The department will follow a cost allocation plan for determining the appropriate administrative costs to be funded with block grant moneys.

153.4(2) Funding for services will be allocated in accordance with the annual budgeting process. The department's annual budget is available for review on the department's website. Costs may be shifted in and between service areas to ensure continued statewide availability of services.

441—153.5(234) Expenditure of supplemental funds. When supplemental funds are issued through the social services block grant as emergency disaster relief, the department will administer the funds in compliance with the terms of the federal award.

These rules are intended to implement Iowa Code section 234.6 and 2026 Iowa Acts, Senate File 2488, division II.

[Filed 10/23/26, effective 1/1/27]
[Published 11/25/26]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 11/25/26.