HOMELAND SECURITY AND EMERGENCY MANAGEMENT DEPARTMENT[605]

Regulatory Analysis

Notice of Intended Action to be published: 605—Chapter 8
"Criteria for Awards or Grants"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 17A and 29C.9

State or federal law(s) implemented by the rulemaking: 2024 Iowa Acts, Senate File 2370; 2 CFR Part 25; and 2 CFR Part 200

Public Hearing

A public hearing at which persons may present their views orally or in writing will be held as follows:

February 11, 2025 8:30 a.m.	Geode Room 7900 Hickman Road, Suite 500 Windsor Heights, Iowa meet.google.com/oqm-wujn-dif

Public Comment

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Homeland Security and Emergency Management no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

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Purpose and Summary

Pursuant to Executive Order 10, the Department proposes to rescind Chapter 8 and adopt a new chapter in lieu thereof. The chapter describes the procedures by which the Department considers and awards available grant moneys.

The rulemaking eliminates language that is overly restrictive and obsolete and shortens the chapter.

Analysis of Impact

1. **Persons affected by the proposed rulemaking:**

- **Classes of persons that will bear the costs of the proposed rulemaking:**

There is no cost associated with the proposed rulemaking.

- **Classes of persons that will benefit from the proposed rulemaking:**

Entities who apply for and receive grant awards administered by the Department will benefit.

2. **Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:**

- **Quantitative description of impact:**

Chapter 8 provides a framework for these grants and implements standing federal grant requirements. In the most recent fiscal year, the Department administered approximately $141,388,000 in grant funding, passing through $187,664,000 to fund local emergency management and recovery activities.

- **Qualitative description of impact:**

Entities will be able to apply for various federal grants administered by the Department and operate under a consistent set of rules for application for and awarding of the grant funds.

3. **Costs to the State:**

- **Implementation and enforcement costs borne by the agency or any other agency:**

There are no costs to the State or the Department associated with this rulemaking.

- **Anticipated effect on state revenues:**

These rules are in place to make sure all state and federal regulations associated with the grants are followed. In the absence of these rules, it is possible that these grants would have to be recouped and the subrecipients would lose the funding.

4. **Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:**

This rulemaking seeks to implement rules by which the Department will administer grant programs. Cost of inaction would include potentially being ineligible to receive and administer grant funds.

5. **Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:**

The Department has sought to provide the minimum burden to applicants, while still following applicable state and federal regulations and providing fair access to grant funding.

6. **Alternative methods considered by the agency:**

- **Description of any alternative methods that were seriously considered by the agency:**

None.

- **Reasons why alternative methods were rejected in favor of the proposed rulemaking:**

Not applicable.

Small Business Impact

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

This rulemaking has little to no impact to small business, other than the small business' ability to bid on projects funded through the available grants.

Text of Proposed Rulemaking

ITEM 1. Rescind 605—Chapter 8 and adopt the following **new** chapter in lieu thereof:

CHAPTER 8
CRITERIA FOR AWARDS OR GRANTS

605—8.1(29C,17A) Purpose. The department of homeland security and emergency management receives and distributes funds to a variety of entities throughout the state for support of emergency management planning, training, and other initiatives. Unless otherwise prohibited by state or federal law, rule or regulation, the director may make such funds subject to competition. Where such funds are designated by the director to be competitive, the department shall ensure equal access, objective evaluation of applications for these funds, and that grant application material contains, at a minimum, specific content.

605—8.2(29C,17A) Definitions.

"Competitive grant" means the competitive grant application process to determine the grant award for a specified project period.

"Department" means the department of homeland security and emergency management.

"Director" means the director of the homeland security and emergency management department.

"Project" means the activity(ies) or program(s) funded by the department.

"Project period" means the period of time for which the department intends to support the project without requiring the recompetition of funds.

"Service delivery area" means the defined geographic area for delivery of project services.

605—8.3(29C,17A) Exceptions. The department considers funds subject to competition except in those cases where:

1. State or federal law, rule or regulation prohibits such competition.
2. The state, federal or private funding source specifies a sole source for the receipt of funds.
3. There is mutual agreement among the department and contract organizations.
4. The director designates such funds to be noncompetitive.

605—8.4(29C,17A) Public notice of available competitive grants. When making funds available through a competitive grant application process, the department will, at least 60 days prior to the application due date, issue a public notice that identifies the availability of funds and states how interested parties may apply.

8.4(1) If the receipt of a grantor's official notice of award to the department precludes a full 60-day notice, the department will issue the public notice at the earliest publication date.

8.4(2) In the event the publication date would not allow at least 30 days for interested parties to request and submit an application packet, the department will notify current contractors and other interested parties of the availability of funds through press releases and other announcements.

605—8.5(29C,17A) Requirements. Where funds are designated as competitive, the following will be included in all grant application materials made available by the department:

1. Funding source;
2. Project period;
3. Services to be delivered;
4. Service delivery area;
5. Funding purpose;
6. Funding restrictions;
7. Funding formula (if any);
8. Rules regarding match (if any);
9. Reporting requirements;
10. Performance criteria;
11. Description of eligible applicants;
12. Need for letters of support or other materials (if applicable);
13. Application due date;
14. Anticipated date of award;

15. Eligibility guidelines for those receiving the service or product and the source of those guidelines, including fees or sliding fee scales (if applicable);

16. Target population to be served (if applicable); and

17. Appeal process in the event an application is denied.

605—8.6(29C,17A) Review process (competitive applications only). The review process to be followed in determining the amount of funds to be approved for award of a contract will be described in the application material. The review criteria and point allocation for each element will also be described in the grant application material.

8.6(1) The competitive grant application review committee will be determined by the division administrator administering the grant or award, with oversight from the director. The review committee members will apply points according to the established review criteria in conducting the review.

8.6(2) In the event competitive applications for a project receive an equal number of points, a second review will be conducted by the director and the division administrator administering the grant or award.

605—8.7(29C,17A) Opportunity for review and comment. Program advisory committees or related task forces of the program may be provided with an opportunity to review and comment on the criteria and point allocation prior to implementation. Exceptions may occur when the funding source to the department has already included such criteria and point allocation within the award or the time frame allowed is insufficient for such review and comment.

605—8.8(29C,17A) Awards. Once applications have been scored and ranked, the department will award all available funds to eligible applicants based on the ranking of their applications. Should there be more eligible applications than funds available, those remaining eligible applications will be kept on file by the department.

In those cases in which applicants have received an award but actual project costs are less than anticipated or established in the application, remaining funds shall become deobligated funds. The department shall award deobligated funds in accordance with the awarding authority's grant guidance.

These rules are intended to implement Iowa Code chapter 17A and section 29C.13.