Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 38
"Developmental Disabilities Basic State Grant"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 217.6

State or federal law(s) implemented by the rulemaking: Iowa Code section 217.6 and 42 U.S.C. Chapter 144

Public Hearing

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

March 24, 2026 10 a.m.	Microsoft Teams Meeting ID: 287 677 567 218 98 Passcode: Ny3YJ3ES

Public Comment

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

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Des Moines, Iowa 50319
Phone: 515.829.6021
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Purpose and Summary

Under the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. Chapter 144, the Department has been designated as the administering agency to receive federal assistance to the State developmental disabilities councils from the federal Administration for Community Living. These funds are used by the Iowa Developmental Disabilities Council (Iowa DD Council).

The purpose of this proposed chapter is to define and structure project funding by the Iowa DD Council. Projects are designed to influence change in the system of services and supports in Iowa to increase the independence, productivity, and community integration of individuals with developmental disabilities.

Funding priorities for projects are established by the Iowa DD Council in its State plan.

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the review, the Department removed redundant definitions and one rule that was duplicative of contract language.

Analysis of Impact

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

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

There are no costs associated with this proposed rulemaking.

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

Iowans with developmental disabilities benefit from the projects funded through the processes outlined in this proposed rulemaking.

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:**

In SFY 2025, the Department received $371,942 in federal funding. The State appropriated an additional $35,000 to support the Iowa DD Council.

- **Qualitative description of impact:**

The proposed chapter sets forth the establishment of the Department as the developmental disabilities agency for the purpose of directing the benefits of the federal Developmental Disabilities Assistance and Bill of Rights Act, 42 U.S.C. §15001 et seq.

3. **Costs to the State:**

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

The Department incurs personnel and other administrative costs related to implementing the proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues beyond the amount appropriated by the Iowa Legislature. For SFY 2025, $35,000 was appropriated.

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

The Iowa DD Council is active in providing education and advocacy for Iowans with disabilities. The Iowa DD Council's mission is to create change with and for persons with developmental disabilities so they can live, work, learn, and play in the community of their choosing.

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

No. The proposed chapter is neither costly nor intrusive.

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

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

Not applicable.

- **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 proposed rulemaking has no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 38 and adopt the following **new** chapter in lieu thereof:

CHAPTER 38
DEVELOPMENTAL DISABILITIES BASIC STATE GRANT

441—38.1(217,42USC144) Administering agency. Pursuant to the DD Act, the department has been designated as the administering agency to receive the federal assistance to the state developmental disabilities councils from the federal Administration for Community Living. These funds are used by the Iowa DD council.

441—38.2(217,42USC144) Definitions.

"DD Act" means the Developmental Disabilities Assistance and Bill of Rights Act of 2000, 42 U.S.C. Chapter 144 as amended to August 1, 2026. All references to the DD Act herein are as amended to August 1, 2026.

"Developmental disability" means a severe, chronic disability of a person that is attributed to a mental or physical impairment or a combination of mental and physical impairments; is manifested before the person attains the age of 22; is likely to continue indefinitely; substantially limits the person's ability to carry out major life activities in at least three of the areas of self-care, receptive and expressive language, learning, mobility, self-direction, and capacity for independent living and economic self-sufficiency; and reflects an ongoing need for individualized, coordinated services. The term, when applied to infants and children from birth to the age of nine, means a substantial developmental delay or specific congenital or acquired conditions with a high probability of resulting in developmental disabilities if services are not provided.

"Iowa DD council" means the Iowa developmental disabilities council.

"Projects" means activities described in the Iowa DD council's five-year plan that are designed to address the purpose and priorities established by the DD Act to undertake advocacy, capacity-building, and systemic-change activities that contribute to a coordinated, person- and family-centered, and individual- and family-directed comprehensive system of community services, individualized supports, and other forms of assistance that promote self-determination for individuals with developmental disabilities and their families.

"State plan" means the document required under the DD Act that describes goals, objectives and funding priorities.

441—38.3(217,42USC144) Program eligibility. For any year in which Congress appropriates funds, the Iowa DD council shall, consistent with the state plan and the priorities established under the DD Act, determine projects to fund under the developmental disabilities basic state grant program. Funding priorities will be established by the Iowa DD council in the state plan and will be consistent with the priorities established in the DD Act. (Applications for capital expenditures or capital renovations are not eligible for funding.) The Iowa DD council may award funding through any of the department-approved processes for competitive, sole source, or unsolicited proposals in accordance with the provisions of 11—Chapter 117 for the procurement of goods and services of general use.

441—38.4(217,42USC144) Conflict of interest policy. All Iowa DD council members and those serving in an advisory capacity to the Iowa DD council shall not engage in activities that present a conflict of interest.

38.4(1) Iowa DD council members and those serving in an advisory role to the Iowa DD council are prohibited from applying for any project when they were involved in recommending the project or designing or developing the request for proposal.

38.4(2) All Iowa DD council members and those serving in an advisory capacity to the Iowa DD council who serve or whose family members serve as officers, directors, partners, consultants, or employees of the applicant being evaluated shall be excluded from preliminary review of proposals,

discussing with Iowa DD council members who will be voting, and advising or voting on the evaluation of that applicant and all other applicants submitting proposals in that category.

These rules are intended to implement Iowa Code section 217.6 and 42 U.S.C. Chapter 144.