

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 63
“Weatherization”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 216A
State or federal law(s) implemented by the rulemaking: Iowa Code chapter 216A and PL 94-385
and PL 98-558

Public Hearing

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

June 2, 2026
10 a.m.

Microsoft Teams
Meeting ID: 292 485 993 110 827
Passcode: SZ3ZF7WH

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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Purpose and Summary

This proposed chapter outlines the Department’s administration of the Weatherization Assistance Program (WAP). The purpose of the program is to reduce heating and cooling costs for low-income households, particularly those with elderly members, persons with disabilities, or young children, by improving the energy efficiency of their homes while ensuring their health and safety.

This proposed chapter underwent a Red Tape Review pursuant to Executive Order 10. As a result of the review, the Department eliminated redundant information and restrictive terms and added clarifying information and dates certain. The Department also standardized the appeals procedure to the Department’s uniform rules chapter on contested cases. The Department is concurrently rescinding 421—Chapter 23 (RA 26-62, IAB 5/13/26), which is the legacy Department of Human Rights chapter that implements the WAP.

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:**

Individuals who are potentially eligible for the WAP will benefit from the guidance in this proposed chapter.

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 additional to benefiting individuals, the WAP also benefits many small businesses and independent contractors. In program year 2024 (April 1, 2024, through March 31, 2025), over \$27,715,674 was put back into the Iowa economy through the purchase of supplies and materials; wages to independent construction, HVAC (heating, ventilation, and air conditioning), mechanical, and other contractors; and salaries and benefits to subgrantee and State program and support staff.

• **Qualitative description of impact:**

The purpose of the program is to reduce heating and cooling costs for low-income households, particularly those with elderly members, persons with disabilities, or young children, by improving the energy efficiency of their homes while ensuring their health and safety.

3. Costs to the State:

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

The Department incurs personnel and administrative costs to administer the proposed chapter. The Department contracts with local community action agencies (CAAs) and local governments to carry out program activities. These CAAs and local governments also incur personnel and administrative expenses. The WAP utilizes the Low-Income Home Energy Assistance Program (LIHEAP), Emergency Capital Investment Program (ECIP), and WAP Intake System (LEWIS), which requires annual licensing, maintenance, operation, and enhancement costs.

• **Anticipated effect on State revenues:**

This proposed rulemaking has no impact on State revenues.

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

Rulemaking is appropriate to provide guidance to eligible and potentially eligible individuals.

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

Not applicable.

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 substantial impact on small business.

Text of Proposed Rulemaking

ITEM 1. Adopt the following **new** 441—Chapter 63:

CHAPTER 63
WEATHERIZATION

441—63.1(216A,PL94-385,PL98-558) Eligible households.

63.1(1) A household includes all the people who occupy a housing unit (such as a house or apartment) as their usual place of residence. A household includes the related family members and all the unrelated people, if any, such as lodgers, foster children, wards, or employees who share the housing unit. A person living alone in a housing unit or a group of unrelated people sharing a housing unit, such as partners or roomers, is also counted as a household. A household occupying a dwelling unit is eligible for assistance under the weatherization assistance program if the household:

a. Has an annual income no higher than 200 percent of the federal poverty guidelines determined in accordance with criteria established by the Director of the Office of Management and Budget (OMB).

b. Is receiving supplemental security income (SSI) or family investment program (FIP) assistance, regardless of income.

63.1(2) Household eligibility, including income verification, will be determined in accordance with the application requirements for the low-income home energy assistance program (LIHEAP), the application for which is considered a joint application. Household eligibility and prioritization for weatherization services are established annually.

63.1(3) Both owner-occupied and renter-occupied dwellings may be weatherized. However, rental units occupied by low-income residents shall be weatherized providing benefits accrue primarily to the low-income tenants, rents are not raised because of the weatherization, and no undue or excessive enhancement occurs to the value of the dwelling unit. Landlords of rental dwellings must agree to have their dwellings weatherized before assistance is provided.

63.1(4) Provision of all weatherization program services are contingent upon the availability of funds.

441—63.2(216A,PL94-385,PL98-558) Local administering agencies (LAAs).

63.2(1) The department will administer the program by utilizing community action agencies (CAAs) or their approved subcontractors or other public or nonprofit entities that have shown the ability or have the capacity to undertake a timely and effective weatherization program. Program funds shall be used for the purchase and installation of weatherization materials, training and technical assistance, administration, and supportive services.

63.2(2) LAAs will be required to sign a contractual agreement that specifies required and allowable program activities, including U.S. Department of Energy regulations, special conditions, participant forms, program and fiscal reporting, and audit requirements.

441—63.3(216A,PL94-385,PL98-558) Application period. Households may apply for weatherization assistance between October 1, or the first working day of October, and September 30, or the last working day of September, as defined in the annual Weatherization Assistance Program State Plan as amended to August 1, 2026.

441—63.4(216A,PL94-385,PL98-558) Payments.

63.4(1) *Duplicate and fraudulent payment control.* Each LAA is required to provide a system to monitor and prevent possible duplicate and other fraudulent applications and payments. Duplication cross-checks shall be based on the unique client or vendor identifier.

63.4(2) *Referrals.* Each LAA is required to refer all suspected cases of fraud, including duplicate payments, overpayments, and fraudulent statements on applications, to the department for investigation.

441—63.5(216A,PL94-385,PL98-558) Grievances and appeals.

63.5(1) Each LAA shall have grievance policies and procedures approved by the department for nonappealable items, including quality or extent of work performed.

63.5(2) Items that are appealable to the department pursuant to 441—Chapter 2506 are:

- a.* Services that have been denied for eligibility.
- b.* Weatherization work that is delayed or postponed for extenuating circumstances. The LAA must document the reasons for the delay of services and inform the client and the department.
- c.* Quality or completeness of work, if the LAA has exhausted its grievance process.
- d.* LAA contractors and subcontractors that have exhausted the grievance process.

441—63.6(216A,PL94-385,PL98-558) Further criteria. The Weatherization Assistance Program State Plan as amended to August 1, 2026, and Weatherization Assistance Program Policy and Procedures Manual as amended to August 1, 2026, are incorporated by reference as part of these rules. If any rule in this chapter conflicts with federal law or rule, the federal law or rule shall prevail.

These rules are intended to implement Iowa Code section 216A.99, PL 94-385 and PL 98-558.