RA 26-192

HUMAN SERVICES DEPARTMENT[441]

Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 153
"Funding for Local Services"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.6
State or federal law(s) implemented by the rulemaking: Iowa Code section 234.6

Public Hearing

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

August 25, 2026 10 a.m.	Microsoft Teams Meeting ID: 263 183 115 478 438 Passcode: RG9AC95E

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:

Victoria L. Daniels
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

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 proposed 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.

Analysis of Impact

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

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

This proposed rulemaking does not have a cost to the public.

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

Families that depend on and receive funds or services through the SSBG will benefit from having clear rules to ensure Iowa can remain in compliance with the federal reporting guidelines.

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:**

This proposed rulemaking is not expected to have a quantitative effect on those who receive funds through the SSBG.

- **Qualitative description of impact:**

Families that depend on and receive funds or services through the SSBG will benefit from having clear rules to ensure Iowa can remain in compliance with the federal reporting guidelines.

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 associated with this proposed chapter.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any 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 under Iowa Code section 234.6.

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 is not expected to have any impact on small business.

Text of Proposed Rulemaking

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 money.

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.