Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 47
"Diversion Initiatives"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 239B.4(6)
State or federal law(s) implemented by the rulemaking: Iowa Code sections 234.6 and 239B.11

Public Hearing

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

November 6, 2024 2 to 3 p.m.	Microsoft Teams Meeting ID: 238 807 808 374 Passcode: sCAuM5

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 50310
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

The purpose of the Family Self-Sufficiency Grants (FSSG) program is to provide immediate and short-term assistance to PROMISE JOBS participant families, which will remove barriers related to obtaining or retaining employment.

Analysis of Impact

1. Persons affected by the proposed rulemaking:

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

No costs were identified.

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

Families participating in the PROMISE JOBS program seeking self-sufficiency 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:

In state fiscal year 2023, FSSG made 1,554 payments to 812 families and the total expended was $570,285.17. FSSG spent 49.1 percent of what was allotted.

- Qualitative description of impact:

These rules play an important role in the implementation of the FSSG program. Without this chapter, there would be no way to implement the FSSG program and leave appeal rights intact for participants.

3. Costs to the State:

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

The Department and the Iowa Workforce Development Department incur personnel costs to implement the program.

- Anticipated effect on state revenues:

There are no additional costs beyond those already appropriated.

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

Families participating in PROMISE JOBS would be less successful without access to the flexible funding that FSSG can provide to them. The goal of the FSSG program is to reduce the length of time a family is dependent on the Family Investment Program.

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

A less costly method has not been identified to achieve the purpose of this chapter.

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:

Without this chapter, there would be no way to implement the FSSG program and leave appeal rights intact for participants.

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?

There is no impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind 441—Chapter 47 and adopt the following **new** chapter in lieu thereof:

CHAPTER 47
DIVERSION INITIATIVES

441—47.1(239B) Definitions.

"Appropriate responsible administrator" means the administrator of the department of workforce development's division of workforce development center administration, or the administrator's designee.

"Candidate" means anyone expressing an interest in the family self-sufficiency grants program.

"Family" means "assistance unit" as defined in rule 441—40.1(239B).

"Family investment program" or *"FIP"* means the cash grant program provided by 441—Chapters 40 and 41, designed to sustain Iowa families.

"Family self-sufficiency grants" or *"FSSG"* means the payments made to specific PROMISE JOBS participants, to vendors on behalf of specific PROMISE JOBS participants, or for services to specific PROMISE JOBS participants.

"Immediate, short-term assistance" means that assistance provided under this chapter will be authorized upon determination of need and that it will not occur on a regular basis.

"Iowa workforce development" or *"IWD"* means the agency that develops and administers employment, placement and training services in Iowa and is contracted by the department to administer PROMISE JOBS services statewide.

"IWD service delivery area" means the Iowa workforce development service delivery areas designated to provide PROMISE JOBS services.

"Local plan for family self-sufficiency grants" means the written policies and procedures for administering the grants for families as set forth in the plan developed by the PROMISE JOBS IWD service delivery area as described in rule 441—47.6(239B).

"Participant" means anyone receiving assistance under this chapter.

"PROMISE JOBS contract" means the agreement between the department and Iowa workforce development regarding delivery of PROMISE JOBS services.

"PROMISE JOBS participant" means any person receiving services through PROMISE JOBS. A PROMISE JOBS participant must be a member of an eligible FIP household.

"Promoting independence and self-sufficiency through employment, job opportunities, and basic skills (PROMISE JOBS) program" means the department's work and training program as described in 441—Chapter 93.

441—47.2(239B) Availability of the family self-sufficiency grants program. The family self-sufficiency grants program will be available statewide.

47.2(1) The program will be available for use by the IWD service delivery areas. Under the PROMISE JOBS contract, IWD shall allocate the funds available for authorization to each of the service delivery areas based on the allocation standards used for PROMISE JOBS service delivery purposes.

47.2(2) The department retains the funds that are released through the PROMISE JOBS expense allowance authorization system.

441—47.3(239B) General criteria. Family self-sufficiency grants candidates shall be PROMISE JOBS participants. Participation in the family self-sufficiency grants program is voluntary and will be based on an informed decision by the family. Further, candidates must have identifiable barriers to obtaining or retaining employment that can be substantially addressed through the assistance offered by family self-sufficiency grants.

441—47.4(239B) Assistance available in family self-sufficiency grants. Family self-sufficiency grants will be authorized for removing an identified barrier to self-sufficiency when it can be reasonably anticipated that the assistance will enable PROMISE JOBS participant families to obtain or retain employment in the two full calendar months following the date of authorization of payment. For example, if a payment is authorized on August 20, it should be anticipated that the participant can find employment in September or October.

47.4(1) *Employment does not occur.* If employment does not occur in the anticipated two-calendar-month period or if the participant loses employment in spite of the self-sufficiency grant, no penalty is incurred and no overpayment has occurred.

47.4(2) *Types of assistance.* The department, in conjunction with IWD, will determine those barriers to self-sufficiency that can be considered for family self-sufficiency grants such as, but not limited to, auto maintenance or repair, licensing fees, child care, and referral to other resources,

including those necessary to address questions of domestic violence. The IWD service delivery areas will have the opportunity to adjust the list of approvable barriers to self-sufficiency based on local resources and circumstances. These adjustments will be approved by the department and the appropriate responsible administrator prior to implementation.

47.4(3) *Limit on assistance.* The total payment limit per FIA-responsible person is $1,000 per year. A year for a family will be the 12 fiscal months following the date of authorization of the initial payment for the family. A fiscal month begins and ends in different calendar months.

47.4(4) *Frequency of assistance.* Family self-sufficiency grants are intended to provide immediate and short-term assistance and must meet the criteria in this rule. While a family may be a candidate more than once and may receive payments in consecutive months in some circumstances, payments will not be established as regular or ongoing.

47.4(5) *Supplanting.* Family self-sufficiency grants will not be used for services already available through the department, PROMISE JOBS, or other local resources at no cost.

47.4(6) *Relationship to the family investment agreement.* Family self-sufficiency grants are separate from the PROMISE JOBS family investment agreement process. While the family investment agreement must be honored at all times and renegotiated and amended if family circumstances require it, no family will be considered to be choosing the limited benefit plan if the family chooses not to participate in the family self-sufficiency grant program.

47.4(7) *Issuing payments.* Family self-sufficiency grants are PROMISE JOBS benefits and will be authorized through the PROMISE JOBS expense allowance system. Payments may be issued to the participants or to a vendor for support services provided to the family. The department in conjunction with the appropriate responsible administrator will have discretion in determining method of payment. The IWD service delivery area will have the opportunity to adjust these payment options in an individual case based on circumstances and needs of the family with the approval of the department and the appropriate responsible administrator prior to implementation.

441—47.5(239B) Application, notification, and appeals.

47.5(1) *Application elements.* Each IWD service delivery area shall use the established application form to be completed by the PROMISE JOBS participant and the PROMISE JOBS worker when the participant asks to be a candidate for a family self-sufficiency grant. The application form must contain the following elements:

a. An explanation of family self-sufficiency grants and the expectations of the program.

b. Identification of the family and the person representing the family.

c. A clear description of the barrier to self-sufficiency to be considered.

d. Demonstration of how removing the barrier is related to obtaining or retaining employment, meeting the criteria in rule 441—47.4(239B).

e. Demonstration of why the department, PROMISE JOBS, or community resources cannot deal with the barrier to self-sufficiency.

f. Anticipated cost of removing the barrier to self-sufficiency.

47.5(2) *Notification process.* PROMISE JOBS shall use a form prescribed by the department to notify the candidate of the PROMISE JOBS decision regarding the family self-sufficiency grant. Decisions shall be in accordance with policies of this chapter and the local plan.

a. On approval, the form shall indicate the amount of the benefit that will be issued to the candidate or paid to a vendor, or the service that will be provided to the family.

b. On denial, the form shall indicate the reason for denial.

47.5(3) *Appealable actions.* The PROMISE JOBS decisions on family self-sufficiency grants may be appealed pursuant to 441—Chapter 7. Copies of the local plan as described in rule 441—47.6(239B) shall be included with the appeal summary.

47.5(4) *Nonappealable actions.* PROMISE JOBS participants will not be entitled to an appeal hearing if the sole basis for denying, terminating or limiting assistance from family self-sufficiency

grants is that self-sufficiency grant funds have been reduced, exhausted, eliminated, or otherwise encumbered.

441—47.6(239B) Approved local plans for family self-sufficiency grants. Each IWD service delivery area shall create and provide to the department the written policies and procedures for administering family self-sufficiency grants. The plan will be reviewed for required elements and quality of service to ensure that it meets the purpose of the program and approved by the department and the appropriate responsible administrator. The written policies and procedures shall be available to the public at county offices, and PROMISE JOBS offices. At a minimum, these policies and procedures shall contain or address the following:

47.6(1) *A plan overview.* The plan overview shall contain a general description detailing:

a. Any types of services or assistance that will be excluded from consideration for family self-sufficiency grants by the IWD service delivery area.

b. How determinations will be made that the service or assistance requested meets the program's objective of helping the family obtain or retain employment.

c. How determinations will be made that the proposed family self-sufficiency grant is not supplanting as required in subrule 47.4(5).

d. Services established and any maximum (and minimum, if any) values of payments of the services established by the IWD service delivery area.

e. Verification procedures or standards for documenting barriers, using written notification policies found in rule 441—93.10(239B).

f. Verification procedures or standards for documenting employment attempts if not already tracked by PROMISE JOBS procedures, using policies found in rule 441—93.10(239B).

g. How applications will be processed timely to address barriers to obtaining or retaining employment.

h. Follow-up procedures on participant effort.

i. Procedures for tracking of family self-sufficiency grant authorizations in order to stay within the amount allocated.

j. How staff will be trained to administer the program.

47.6(2) *Intake and eligibility determination.* The policies and procedures shall describe:

a. How families most likely to benefit from self-sufficiency grant assistance are identified.

b. How families can apply for self-sufficiency grant assistance.

c. How families will be informed of the availability of self-sufficiency grant assistance, its voluntary nature, and how the program works.

441—47.7(239B) Evaluation of family self-sufficiency grants. The department, in conjunction with IWD, will develop an evaluation plan. The evaluation plan will:

1. Describe tracking procedures.
2. Describe the plan for evaluation.
3. Describe how measurable results will be determined.
4. Identify any support needed to conduct an evaluation.

441—47.8(239B) Recovery of FSSG overpayments. An overpayment exists when an item(s) for which the funds were awarded was not purchased, a duplicate payment was issued or when, according to receipts, the item(s) purchased costs less than the funds received. For purposes of overpayment and recovery, an FSSG payment is considered a PROMISE JOBS expense payment and is subject to rule 441—93.12(239B), recovery of PROMISE JOBS expense payments.

These rules are intended to implement Iowa Code sections 234.6 and 239B.11.