

REPORT OF THE

ASSISTANCE GRANT PROGRAMS STUDY COMMITTEE

Submitted to the Iowa Legislative Council  
and the Members of the  
Second Session of the Sixty-fourth General Assembly

FINAL REPORT  
OF THE  
ASSISTANCE GRANT PROGRAMS STUDY COMMITTEE

At its July 26, 1971 meeting, the Legislative Council authorized a study to be made in accordance with the provisions of House Concurrent Resolution 48, with a final reporting date of January 1, 1972. H.C.R. 48 requested a study of the present laws and regulations, including procedures for determining eligibility of recipients of categorical assistance payments and the administration of the categorical assistance programs, and recommendations for changes as necessary within the limitations of federal laws and regulations regarding the programs.

The Legislative Council named the following members of the General Assembly to serve on the Assistance Grant Programs Study Committee:

Representative Nathan F. Sorg, Temporary Chairman  
Senator Quentin V. Anderson  
Senator Alden J. Erskine  
Senator J. Wesley Graham  
Senator John E. Tapscott  
Representative Laverne W. Schroeder  
Representative Kenneth D. Scott  
Representative Delbert L. Trowbridge

At its first meeting the Committee elected Senator Anderson as Chairman and Representative Sorg as Vice Chairman.

The first Committee meeting was held on August 30, 1971. Representative Richard J. Norpel, sponsor of H.C.R. 48, appeared at the invitation of the Committee and discussed the problems raised by the resolution. He suggested that the Aid to Dependent Children program is the program most subject to abuse. James N. Gillman, Commissioner of the Department of Social Services, also appeared in response to the Committee's request, and discussed the major problems in the assistance grant programs, from the administration point of view. Commissioner Gillman emphasized the difficulties experienced in connection with the "stepparent rule". He also explained that Mr. Dover V. Donnelly, Chief of the Division of Income Maintenance in the Department of Social Services, would plan to attend all Committee meetings and furnish assistance to the Committee. The Committee members were furnished with copies of the federal regulations concerning the assistance grant programs, and with materials related to the California Welfare Reform Program.

The second Committee meeting was held on October 4, 1971. Mr. Paul W. Nixon, Deputy Regional Commissioner for State Programs, and Mr. Ronald Kelley, Assistant Regional Commissioner for Assistance Payments, both from the Kansas City office of the Department of Health, Education, and Welfare, appeared and discussed the federal government's part in the assistance grant programs.

Because the state is involved in litigation concerning the "stepparent rule", the Committee determined to wait until December to hold its final meeting, and a two-day meeting was scheduled for December 9 and 10, 1971. In the meantime, the Legislative Service Bureau conducted a survey of a number of states to determine how other states divide the responsibility for funding and administration of assistance grant programs, and how eligibility based upon need is determined in each state. The Committee also invited persons from the Department of Social Services to discuss the food stamp program, to explain the cost of shifting each program of categorical assistance from partial county funding to full state funding, and to present the legislative proposals which will be sponsored by the Department during the next legislative session. Other items on the agenda included consideration of removal of the minimum presumed need in the Aid to the Blind program, and consideration of eligibility of persons between the ages of 18 and 21, in the Aid to Dependent Children program.

During the course of its final meeting the Committee reached the following conclusions:

1. The Supreme Court of Iowa has not yet heard the case involving the "stepparent rule". This federal rule provides that a stepparent's income is not necessarily included in the resources of the household for purposes of determining ADC eligibility, unless the state has a law of general applicability which makes the stepparent responsible for support of the child to the same extent that a natural or adoptive parent is responsible. Whether the Iowa law meets this criterion is at issue in the Supreme Court case. At present the federal government holds that the state department of social services is failing to comply with federal law when it requires the consideration of stepparent income. The Committee feels that this is a serious problem which should be considered by the General Assembly as soon as the Supreme Court has taken a position on the present Iowa law.

2. The Committee discussed the possibility of transferring the funding of all categorical assistance programs to the state, and ending the county's responsibility for partial funding. Counties now fund 21% of the assistance payments in ADC, AB, and AD programs. Based upon figures from the fiscal year ending in 1970, this would cost the state about eleven million dollars annually, and provide comparable property tax relief to the counties. The Committee decided that such a move is not economically feasible at this time. However, in the case of the Aid to the Disabled program, another problem occurs. Present law provides that when a recipient is transferred from one county to reside in a nursing or custodial home in another county, the second county must assume financial responsibility after six months. This creates serious problems for a county in which new facilities are opened. To eliminate this problem, and also to provide a partial movement toward eliminating county funding, the Committee determined to propose a bill to transfer to the state the present county share of

financial responsibility for the Aid to the Disabled program. Based upon figures prepared by the Department of Social Services, this measure will cost the state \$1,148,819.00 for the first year. A bill draft implementing this proposal is attached to and by reference made a part of this report.

3. Section 239.1, subsection 3, of the Iowa Code now provides that a person may continue to receive Aid to Dependent Children from the age of sixteen to the age of twenty, if the person is "a student regularly attending a high school in pursuance of a course of study leading to a high school diploma or its equivalent, or regularly attending a course of vocational or technical training designed to fit him for gainful employment". The Committee agreed that the clause relating to attending a course of vocational or technical training should be stricken from the law, so that the person will be eligible for ADC at sixteen or over, only if he is still attending high school. A bill draft implementing this proposal is attached to and by reference made a part of this report.

4. Representatives from the Department of Social Services explained to the Committee that the Department experiences considerable difficulty in handling the present system of collecting amounts due from the counties. The Department is required to make the assistance payments and then bill the county. Counties are often six to eight weeks late in reimbursing the Department, which causes the Department to run very short of funds at the end of each fiscal year. It was suggested that the State Comptroller could better handle the collection of amounts due from the counties. This could be done with a revolving fund, but the Committee determined that a better method will be to change the law so that county payments for all categorical assistance grant programs are handled in a manner similar to county payments to the institutions governed by the Department of Social Services. This will probably require an appropriation to the Department of the full amount of the state and county share, with a reimbursement to the state of the counties' shares, directly through the Comptroller's office. A bill draft implementing this proposal, to be effective July 1, 1973, is being prepared through the joint efforts of the State Comptroller's Office and the Legislative Service Bureau, and should be ready for introduction at the beginning of the 1972 session of the General Assembly.

5. No Committee action was taken regarding the minimum presumed need in the program of Aid to the Blind.

6. Methods of determining eligibility in the food stamp program as well as the categorical assistance grant programs were studied carefully by the Committee. Because of the extensive federal rules governing these programs, including new rules which will be implemented on February 1, 1972, and because of the possibility of further federal legislation, the Committee makes no recommendations in these areas.

Prepared for the Assistance Grant Programs  
Study Committee for introduction in the  
Sixty-fourth General Assembly, Second  
Session

SENATE FILE \_\_\_\_\_

By

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to financial responsibility for the program of  
2 aid to the disabled.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section two hundred forty-one A point fourteen  
2 (241A.14), Code 1971, is amended to read as follows:

3 241A.14 DISABLED AID FUND. There is hereby established  
4 in the state treasury a fund to be known as the "Fund for  
5 Aid to the Disabled" to which shall be credited all funds  
6 appropriated by the state for the payment of administration  
7 expenses, assistance and benefits under this chapter, and  
8 all moneys received from the federal government for such  
9 purposes, ~~and all funds paid by the counties to the state~~  
10 ~~director as provided by this chapter.~~ All assistance, benefits  
11 and administration expense shall be paid from said fund by  
12 the state director. ~~The state division shall report to the~~  
13 ~~county board each month the total amount of assistance and~~  
14 ~~benefits paid during the preceding month with respect to~~  
15 ~~recipients eligible to the county. The county board shall~~  
16 ~~promptly report the same to the county board of supervisors~~  
17 ~~which shall then order paid to the state director from the~~  
18 ~~county poor fund a sum representing the county's share~~  
19 ~~thereof determined in the manner heretofore provided, which~~  
20 ~~payment shall be credited to the fund for the disabled.~~

21 Sec. 2. Sections two hundred forty-one A point thirteen  
22 (241A.13), and two hundred forty-one A point fifteen (241A.15),  
23 Code 1971, are repealed.

24 EXPLANATION

25 This bill removes the responsibility of the counties for  
26 funding any portion of the Aid to the Disabled program. This  
27 will eliminate the problems now experienced by counties which  
28 have a new nursing home or custodial care facility and receive  
29 recipient-patients from other counties.

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SENATE FILE \_\_\_\_\_

By \_\_\_\_\_

Passed Senate, Date \_\_\_\_\_ Passed House, Date \_\_\_\_\_

Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_

Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to the definition of "dependent child" for pur-  
2 poses of the program of aid to dependent children.

3 Section 1. Section two hundred thirty-nine point one  
4 (239.1), subsection three (3), Code 1971, is amended to read  
5 as follows:

6 3. A "dependent child" means a needy child under the age  
7 of sixteen years, or under the age of twenty years and a  
8 student regularly attending a high school in pursuance of  
9 a course of study leading to a high school diploma or its  
10 equivalent, ~~or-regularly-attending-a-course-of-vocational~~  
11 ~~or-technical-training-designed-to-fit-him-for-gainful~~  
12 ~~employment~~; who has been deprived of parental support and  
13 care by reason of death, continued absence from home, or  
14 physical or mental incapacity or unfitness of either parent,  
15 and who is living with his father, mother, grandfather,  
16 grandmother, brother, sister, stepfather, stepmother,  
17 stepbrother, stepsister, uncle or aunt, in a place of residence  
18 maintained by one or more of such relatives as his or their  
19 home or has been placed in a licensed foster home or with  
20 a public or nonprofit child-care agency by the state division  
21 or by the county department of social welfare in lieu of  
22 living with any relative designated in this subsection.

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### EXPLANATION

24 This bill provides that a person between the age of 16  
25 and 20 is eligible for ADC as a "dependent child" only if

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1 he is attending high school.

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