

*Loal
Lewis
Ford*

HSB 152
HUMAN RESOURCES

Succeeded By
SENATE/HOUSE FILE SF/HF 3
BY (PROPOSED DEPARTMENT OF
HUMAN SERVICES BILL)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to welfare reform provisions involving the family
2 investment program and individual development accounts.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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Success

1 Section 239B.2, subsection 4, Code 1999, is
2 amended to read as follows:

3 4. WRITTEN STATEMENT -- FAMILY INVESTMENT AGREEMENT.

4 a. The department may require an applicant family to
5 commit to the initial actions the applicant family will take
6 to achieve self-sufficiency as contained in a signed, written
7 statement. An applicant family which fails to commit to the
8 actions as contained in the written statement shall be denied
9 eligibility for the family investment program. If the
10 applicant family becomes a participant family, the family's
11 written statement may be replaced by, incorporated within, or
12 become the family investment agreement for that family.

13 b. Unless exempt as provided in section 239B.8, a
14 participant family which is eligible for the program shall
15 continue to comply with the provisions of a written statement
16 which contains actions committed to by the family under
17 paragraph "a" or shall enter into a family investment
18 agreement with the department. A participant family must
19 comply with the provisions of the written statement or the
20 conditions in the agreement in order to retain eligibility. A
21 participant family which does not comply shall be deemed to
22 have chosen a limited benefit plan.

23 Sec. 2. Section 239B.3, subsection 1, paragraph b, Code
24 1999, is amended to read as follows:

25 b. For an eligibility decision involving an applicant
26 family with a specified relative, within thirty days of the
27 date of an application, the department shall ~~issue-a~~ authorize
28 issuance of notice of the department's decision to the
29 specified relative.

30 Sec. 3. Section 239B.9, subsection 1, paragraph a, Code
31 1999, is amended to read as follows:

32 a. If a participant responsible for signing and fulfilling
33 the terms of a family investment agreement, as defined by the
34 director of human services in accordance with section 239B.8,
35 chooses not to sign or fulfill the terms of the agreement, the

1 participant's family, or the individual participant shall
 2 enter into a limited benefit plan. Initial actions in a
 3 written statement under section 239B.2, subsection 4, which
 4 were committed to by a participant during the application
 5 period and which commitment remains in effect, shall be
 6 considered to be a term of the participant's family investment
 7 agreement. A limited benefit plan shall apply for the period
 8 of time specified in this section. The first month of the
 9 limited benefit plan is the first month after the month in
 10 which timely and adequate notice of the limited benefit plan
 11 is given to the participant as defined by the director of
 12 human services. A participant who is exempt from the JOBS
 13 program but who volunteers for the program is not subject to
 14 imposition of a limited benefit plan. The elements of a
 15 limited benefit plan shall be specified in the department's
 16 rules.

17 Sec. 4. NEW SECTION. 541A.6 COMPLIANCE WITH FEDERAL
 18 REQUIREMENTS.

19 The administrator shall adopt rules for compliance with
 20 federal individual development account requirements under the
 21 federal Personal Responsibility and Work Opportunity
 22 Reconciliation Act of 1996, § 103, as codified in 42 U.S.C. §
 23 604(h), under the federal Assets for Independence Act, Pub. L.
 24 No. 105-285, Title IV, or with any other federal individual
 25 development account program requirements, as necessary for the
 26 state to qualify to use federal temporary assistance for needy
 27 families block grant funding or other available federal
 28 funding for allocation to operating organizations. Any rules
 29 adopted under this section shall not apply the federal
 30 individual development account program requirements to an
 31 operating organization which does not utilize federal funding
 32 for the accounts with which it is connected or to an account
 33 holder who does not receive temporary assistance for needy
 34 families block grant or other federal funding.

35 EXPLANATION

1 This bill relates to welfare reform provisions involving
2 the family investment program (FIP) and individual development
3 accounts.

4 The amendments to the family investment program in Code
5 section 239B.2 authorize the department of human services to
6 require, as a condition of eligibility, a FIP applicant to
7 commit to initial steps the applicant will take to achieve
8 self-sufficiency in a signed, written statement. Failure to
9 commit to the initial steps results in denial of eligibility.
10 The statement may be required in addition to being
11 incorporated within, or becoming part of, the family
12 investment agreement. A FIP participant is required to comply
13 with the provisions of the written statement.

14 Code section 239B.3, relating to issuance of cash
15 assistance to FIP-eligible families with a specified relative,
16 is amended. Under current law, notice of the department's
17 eligibility decision must be issued within 30 days. Under the
18 bill, authorization for the notice must be issued within 30
19 days.

20 According to limited benefit plan provisions in Code
21 section 239B.9, a participant who does not sign or fulfill the
22 terms of a family investment agreement is subject to a limited
23 benefit plan. Under the bill, the provisions of the written
24 statement committed to during the application period and which
25 remain in effect, are to be considered to be a term of a
26 participant's family investment agreement.

27 New Code section 541A.6 requires the department of human
28 services to adopt rules for compliance with federal
29 requirements for individual development account programs as
30 necessary to qualify to utilize federal funding for allocation
31 to Iowa's individual development account operating
32 organizations. The bill refers to specific federal temporary
33 assistance for needy families (TANF) block grant provisions
34 for individual development accounts, and to the federal Assets
35 for Independence Act, and to general federal provisions for

1 these accounts. The rules are not to apply the federal
2 requirements to operating organizations which do not utilize
3 federal funding for their accounts or to account holders who
4 do not receive TANF or other federal funding.

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TERRY E. BRANSTAD, GOVERNOR

DEPARTMENT OF HUMAN SERVICES

CHARLES M. PALMER, DIRECTOR

January 13, 1999

TO: Members of the General Assembly

FROM: Karla Fultz McHenry, Legislative Liaison
Karla Fultz McHenry

The Iowa Department of Human Services (DHS) is proposing legislation relating to welfare reform provisions involving the Family Investment Program (FIP) and Individual Development Accounts.

The amendments to the Family Investment Program in Code section 239B.2 authorize the Department of Human Services to require FIP applicants to enter into a Family Investment Agreement or similar written plan as a condition of eligibility. Under current law, this requirement applies once an applicant is accepted as a program participant. The Family Investment Agreement provisions outline a plan for a family to achieve self-sufficiency and the FIP assistance is limited by that agreement.

According to Limited Benefit Plan provisions in Code section 239B.9, a participant who does not sign or fulfill a Family Investment Agreement is subject to a Limited Benefit Plan. The bill provides that if an applicant is required to enter into a Family Investment Agreement or other written plan, the Limited Benefit Plan provisions shall not apply to that applicant. However, the application will be denied for failure to cooperate with an eligibility factor.

An amendment to the Family Investment Program in Code section 239B.3 allows the Department of Human Services one additional day to mail notice to an applicant regarding their eligibility for benefits. This change allows the department to align Family investment Program policy with Food Stamp Program policy so applicants for both programs may receive a single notification regarding their eligibility for benefits.

New Code section 541A.6 requires the Department of Human Services to adopt rules for compliance with federal requirements for Individual Development Account programs as necessary to qualify to utilize federal funding for allocation to Iowa's Individual Development Account operating organizations. The bill refers to specific federal Temporary Assistance for Needy Families (TANF) block grant provisions, federal Assets for Independence Act (AFIA) matching funds for individual development accounts, and to general federal provisions for these accounts. The rules are not to apply the federal requirements to operating organizations which do not utilize federal funding for their account or to account holders who do not receive TANF, AFIA, or other federal funding.

For additional information regarding this proposal, or other questions, please contact Karla McHenry, Legislative Liaison, at 281-4848 or e-mail at kmchenr@dhs.state.ia.us.

Substituted For by SF 221

4/26/99

MAR 11 1999

(P. 1653)

Place On Calendar

632

WITHDRAWN

HOUSE FILE
BY COMMITTEE ON HUMAN RESOURCES

4-26-99
(P. 1656)

(SUCCESSOR TO HSB 152)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
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HF 632

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26 state to qualify to use federal temporary assistance for needy
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HOUSE FILE 632
FISCAL NOTE

A fiscal note for House File 632 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

House File 632 adds Iowa Code Section 541A.6 requiring the Department of Human Services to adopt rules for compliance with federal requirements to qualify for federal funding for the Individual Development Account Program.

BACKGROUND

The Individual Development Account Program is offered through Iowa's Family Investment Program. The Program offers special savings accounts for individuals with incomes up to 200.0% of the federal poverty level. The accounts offer low-income individuals the opportunity to save for specified purchases and to have such savings matched by local operating organizations. Local operating organizations determine match rates on an individual basis, but the match rate is commonly \$1 for each \$1 the individual deposits. The Department of Human Services is proposing that \$200,000 in federal Temporary Assistance for Needy Families funds be used to expand the Program to an additional five local operating organizations.

ASSUMPTIONS

1. The Individual Development Account Program will qualify for federal Temporary Assistance for Needy Families block grant funding.
2. No State dollars will be required for the Program.
3. The FY 2000 Department of Human Services budget request includes \$200,000 in federal Temporary Assistance for Needy Families funding for the Individual Development Account Program.

FISCAL IMPACT

The fiscal impact of House File 632 will be \$200,000 per year, funded through federal Temporary Assistance for Needy Families funds.

SOURCE

Department of Human Services

(LSB 1260hv, DAA)

FILED MARCH 15, 1999

BY DENNIS PROUTY, FISCAL DIRECTOR