

Sec. 14. IMPLEMENTATION. Sections 1 through 9 of this Act may be implemented by the child support recovery unit and any applicable licensing authority prior to adoption of rules by the licensing authority as required pursuant to section 252J.8. However, a licensing authority shall adopt rules as required by section 252J.8 on or before January 1, 1996.

Approved April 27, 1995

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**CHAPTER 116**  
**FAMILY INVESTMENT AND RELATED HUMAN SERVICES**  
**PROGRAMS - LIMITED BENEFIT PLANS**  
*S.F. 433*

**AN ACT** relating to the family investment program and related human services programs by requiring the department of human services to apply for a federal waiver regarding limited benefit plans and providing applicability provisions.

*Be It Enacted by the General Assembly of the State of Iowa:*

Section 1. WELFARE REFORM. The purpose of this section is to place greater emphasis under the family investment program on participant responsibility by enumerating the consequences of noncompliance and by making the consequences easier to understand. To achieve this purpose the department shall amend the limited benefit plan process for participants as provided in this Act.

1. The department of human services shall submit a waiver request to the United States department of health and human services as necessary to implement the changes in the family investment program under chapter 239 and the job opportunities and basic skills program under chapter 249C, as provided by this section. In addition, the department may submit additional waiver requests to the United States department of agriculture to make changes in the federal food stamp program and to the United States department of health and human services to make changes to the medical assistance program under chapter 249A, as necessary to revise these programs in accordance with any waiver provision implemented pursuant to this section. However, implementation of the additional waiver requests to change the food stamp and medical assistance programs is subject to enactment of legislative approval of the changes.

2. For the purposes of this section unless the context otherwise requires:

a. "Eligible group" means a group of individuals receiving a family investment program grant under chapter 239 and includes individuals whose income is considered by the department under the family investment program.

b. "Jobs opportunities and basic skills program" or "JOBS program" means the job opportunities and basic skills program under chapter 249C.

c. "Limited benefit plan" means a period of time specified in this section in which a participant or members of a participant's eligible group are either eligible for reduced benefits or ineligible for any benefits under the family investment program.

d. "Participant" means a participant in the family investment program under chapter 239 and includes individuals whose income is considered by the department under the family investment program.

3. If a participant responsible for signing and meeting the terms of a family investment agreement, as defined by the director of human services, chooses not to sign or fulfill the

terms of the agreement, the family investment program eligible group, or the individual participant shall enter into a limited benefit plan. A limited benefit plan shall apply for the period of time specified in this section. The first month of the limited benefit plan is the first month after the month in which timely and adequate notice is given to the participant as defined by the director of human services. A participant who is exempt from the JOBS program but who volunteers for the program is not subject to the limited benefit plan. The elements of a limited benefit plan shall be specified in the department's administrative rules.

4. The department shall apply the limited benefit plan to the participants responsible for the family investment agreement and other members of the participant's family as follows:

a. If the participant responsible for the family investment agreement is a parent or needy caretaker relative, for a first limited benefit plan, the family investment program eligible group is eligible for up to three months of benefits based on the needs of the children only. At the end of the three-month period of reduced benefits, the family investment program eligible group becomes ineligible for family investment program benefits for a six-month period. For a second or subsequent limited benefit plan chosen by the same participant a subsequent six-month period of ineligibility applies. If the eligible group reapplies for assistance after the six-month ineligibility period, eligibility shall be established in the same manner as for any other new applicant. A limited benefit plan imposed in error shall not be considered a first limited benefit plan.

b. If the participant choosing a limited benefit plan is a needy relative who acts as payee when the parent is in the home but is unable to act as payee, or is a dependent child's stepparent who is in the family investment program eligible group because of incapacity or caregiving, the limited benefit plan shall apply only to the individual participant choosing the plan. The individual participant choosing the limited benefit plan is ineligible for nine months from the effective date of the limited benefit plan. For a second or subsequent limited benefit plan chosen by the same individual participant, a subsequent six-month period of ineligibility applies.

c. If the family investment program eligible group includes a minor parent living with the minor parent's adult parent who receives family investment program benefits and both the minor parent and the adult parent are responsible for developing a family investment agreement, each parent is responsible for a separate family investment agreement, and the limited benefit plan shall be applied as follows:

(1) If the adult parent chooses the limited benefit plan, the requirements of the limited benefit plan shall apply to the entire eligible group, even though the minor parent has not chosen the limited benefit plan. However, the minor parent may reapply for family investment program benefits as a minor parent living with self-supporting parents and continue in the family investment agreement process.

(2) If the minor parent chooses the limited benefit plan, the requirements of the limited benefit plan shall apply to the minor parent and any child of the minor parent.

d. If the minor parent is the only child in the adult parent's home and the minor parent chooses the limited benefit plan, the adult parent shall remain eligible as long as the adult parent fulfills family investment agreement responsibilities and other family investment program eligibility factors are met. However, the department may adopt administrative rules to prohibit family investment program benefits from being paid to the adult parent in this instance.

e. If the family investment program eligible group includes children who are mandatory JOBS program participants, the children shall not have a separate family investment agreement but shall be asked to sign the eligible group's family investment agreement and to carry out the responsibilities of that family investment agreement. A limited benefit plan shall be applied as follows:

(1) If the parent responsible for a family investment agreement meets those responsibilities but a child who is a mandatory JOBS program participant chooses an individual

limited benefit plan, the family investment program eligible group is eligible for reduced benefits during the child's limited benefit plan. However, the child as part of the eligible group is ineligible for nine months for a first limited benefit plan and six months for a second or subsequent limited benefit plan.

(2) If the child who chooses a limited benefit plan under subparagraph (1) is the only child in the eligible group, the parent or parents shall remain eligible as long as the parent or parents fulfill their family investment agreement responsibilities and other family investment program eligibility requirements are met. However, the department may adopt administrative rules to prohibit family investment program benefits from being paid to the adult parent or parents in this instance.

f. If the family investment program eligible group includes a parent or parents who are exempt from JOBS program participation and children who are mandatory JOBS program participants, the children are responsible for completing a family investment agreement. If a child who is a mandatory JOBS program participant chooses the limited benefit plan, the limited benefit plan shall be applied in the manner provided in paragraph "e".

g. If the family investment program eligible group includes two parents, a limited benefit plan shall be applied as follows:

(1) If only one parent of a child in the eligible group is responsible for a family investment agreement and that parent chooses the limited benefit plan, the limited benefit plan cannot be ended by the voluntary participation in a family investment agreement by the exempt parent. However, the exempt parent may continue to be included in the eligible group's grant during the three-month reduced benefit period by volunteering to participate in the JOBS family investment program-unemployed parent work program. If a second or subsequent limited benefit plan is chosen by either parent, the family investment program eligible group becomes ineligible for a six-month period beginning with the effective date of the limited benefit plan.

(2) If both parents of a child in the eligible group are responsible for a family investment agreement, both are expected to sign the agreement. If either parent chooses the limited benefit plan, the limited benefit plan cannot be ended by the participation of the other parent in a family investment agreement. However, the other parent may continue to be included in the eligible group's grant during the three-month reduced benefit period by participating in the JOBS family investment program-unemployed parent work program. If a second or subsequent limited benefit plan is chosen by either parent, the family investment program eligible group becomes ineligible for a six-month period beginning with the effective date of the limited benefit plan.

(3) If the parents from a two-parent eligible group in a limited benefit plan separate, the limited benefit plan shall follow only the parent who chose the limited benefit plan and any children in the home of that parent.

5. A participant shall be considered to have chosen a limited benefit plan under any of the following circumstances:

a. A participant who does not establish an orientation appointment with the JOBS program or who fails to keep or reschedule an orientation appointment shall receive a reminder letter which informs the participant that those who do not attend orientation have elected to choose the limited benefit plan. A participant who chooses not to respond to the reminder letter within ten calendar days from the mailing date shall receive notice establishing the effective date of the limited benefit plan, the beginning date of the period of reduced benefits, and the beginning and ending dates of the six-month period of ineligibility. Timely and adequate notice provisions, as determined by the director of human services, apply.

b. A participant who chooses not to sign the family investment agreement after attending a JOBS program orientation shall enter into the limited benefit plan as described in paragraph "a".

c. A participant who has signed a family investment agreement but then chooses the limited benefit plan under circumstances defined by the director of human services.

6. A participant who chooses a limited benefit plan may reconsider that choice as follows:

a. A participant who chooses a first limited benefit plan rather than sign a family investment agreement shall have the entire three-month period of reduced benefits following the effective date of the limited benefit plan to reconsider and begin development of the family investment agreement. The participant may contact the department or the appropriate JOBS program office anytime during the first three months of the limited benefit plan to begin the reconsideration process. Although family investment program benefits shall not begin until the participant signs a family investment agreement during the JOBS program orientation and assessment process, retroactive benefits shall be issued as defined by the director of human services. A limited benefit plan imposed in error shall not be considered a first limited benefit plan.

b. A participant who signs a family investment agreement but does not carry out the family investment agreement responsibilities shall be deemed to have chosen a limited benefit plan and shall not be allowed to reconsider that choice.

c. A participant who chooses a second or subsequent limited benefit plan shall not be allowed to reconsider that choice.

7. If a participant has chosen a limited benefit plan, a qualified social services professional shall attempt to visit with the participant to inquire into the eligible group's well-being. The visit shall be performed as an extension of the family investment program and the family investment agreement philosophy of supporting families as they move toward self-sufficiency. The department may contract for these services. The visit shall be made in accordance with the following:

a. For a participant in a first limited benefit plan who has the reconsideration option, a qualified social services professional, as defined by the director of human services, shall inquire into the well-being of the eligible group during month two of the reduced benefit period. If the participant who is responsible for a family investment agreement indicates a desire to develop a family investment agreement, the qualified social services professional shall assist the participant in establishing an appointment with the appropriate JOBS program office.

b. For a participant in a first limited benefit plan who does not enter into the family investment agreement process during the three-month reconsideration period, a qualified social services professional shall make another inquiry as to the well-being of the eligible group during month four of the limited benefit plan.

c. A participant who signs the family investment agreement but does not carry out family investment agreement responsibilities and, consequently, has chosen a first limited benefit plan, shall not be allowed to reconsider that choice. However, a social services professional shall inquire as to the well-being of the eligible group during month four of the limited benefit plan.

d. A participant who has chosen a second or subsequent limited benefit plan shall not be allowed to reconsider that choice. However, a qualified social services professional shall make inquiry into the well-being of the eligible group during month two of the limited benefit plan.

8. A participant only has the right to appeal the establishment of the limited benefit plan once, but for a first limited benefit plan there shall be two opportunities to do so. A participant in a first limited benefit plan has the right to appeal the limited benefit plan at the time the department issues timely and adequate notice establishing the limited benefit plan, or at the time the department issues the subsequent notice that establishes the six-month period of ineligibility. A participant who has chosen a second or subsequent limited benefit plan has the right to appeal only at the time the department issues the timely and adequate notice that establishes the six-month period of ineligibility. However, if the reason for the appeal is based on an incorrect grant computation, an error in determining the eligible group, or another worker error, a hearing shall be granted, regardless of the person's limited benefit plan status.

9. For a participant who is in a limited benefit plan when the rules adopted pursuant to this Act take effect, the terms of the participant's existing limited benefit plan shall continue until that limited benefit plan either ends or is lifted in accordance with previous limited benefit plan policies. A participant who chose a limited benefit plan under the previous policy and who then chooses a limited benefit plan after the rules adopted pursuant to this Act take effect shall be subject to the provisions of a second limited benefit plan unless the prior limited benefit plan was imposed in error.

10. The department shall assess the ramifications of the limited benefit plan on the food stamp program and may adopt changes in administrative rules for that program, if appropriate.

**Sec. 2. CONTINGENCY PROVISION – TRANSFER.** The waiver request submitted by the department of human services pursuant to section 1 of this Act to the United States department of health and human services shall be to apply the provisions of section 1 statewide. If federal waiver approval of a provision of section 1 of this Act is granted, the department of human services shall implement the provision in accordance with the federal approval. If implementing a provision of this Act is in conflict with a provision of chapter 239 or 249C, notwithstanding that provision in chapter 239 or 249C, the provision of this Act shall be implemented. The department shall propose an amendment in accordance with the provisions of section 2.16 to chapter 239 or 249C to resolve the conflict and to place the provisions of this Act before the public in a statute. The department may transfer moneys appropriated for a waiver provision to another appropriation as deemed necessary by the department if the waiver provision is denied by the federal government.

**Sec. 3. EMERGENCY RULES.** The department of human services may adopt emergency rules under section 17A.4, subsection 2, and section 17A.5, subsection 2, paragraph "b", to implement the provisions of this Act and the rules shall be effective immediately upon filing unless a later date is specified in the rules. If necessary to conform with federal waiver terms or to efficiently administer the provisions, the rules may apply additional policies and procedures which are consistent with the provisions of section 1 of this Act. Any rules adopted in accordance with this section shall also be published as a notice of intended action as provided in section 17A.4.

**Sec. 4. APPLICABILITY.** The effective date of the waiver provisions in section 1 of this Act granted by the federal government shall be October 1, 1995, or at the beginning of the second month following the month in which the federal government approves the waiver, whichever is later. If federal law is amended to permit the state to initiate any of the provisions of section 1 of this Act without a federal waiver, the department of human services shall proceed to implement the provisions within the time period required by this section.

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