

CHAPTER 41**PUBLIC ASSISTANCE REVISIONS — FAMILY INVESTMENT
AND OTHER PROGRAMS***S.F. 516*

AN ACT revising public assistance provisions involving the family investment, job opportunities and basic skills, food stamp, and medical assistance programs administered by the department of human services, amending certain child support provisions, providing for fraudulent practices, and providing effective dates.

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

DIVISION I

Section 1. Section 234.12, Code 1997, is amended by adding the following new unnumbered paragraph:

NEW UNNUMBERED PARAGRAPH. The provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 115, shall not apply to an applicant for or recipient of food stamp benefits in this state. However, the department of human services may apply contingent eligibility requirements as provided under state law and allowed under federal law.

Sec. 2. **NEW SECTION. 239B.1 DEFINITIONS.**

As used in this chapter, unless the context otherwise requires:

1. "Applicant" means a person who files an application for participation in the family investment program under this chapter.

2. "Assistance" means a family investment program payment.

3. "Child" means an unmarried person who is less than eighteen years of age or an unmarried person who is eighteen years of age and is engaged full-time in completing high school graduation or equivalency requirements in a manner which is reasonably expected to result in completion of the requirements prior to the person reaching nineteen years of age.

4. "Department" means the department of human services.

5. "Family" means a family unit that includes at least one child and at least one parent or other specified relative of the child.

6. "Family investment agreement" means the agreement developed with a participant in accordance with section 239B.8.

7. "Family investment program" means the family investment program under this chapter.

8. "Limited benefit plan" means a period of time in which a participant or member of a participant's family is either eligible for reduced assistance only or ineligible for any assistance under the family investment program, in accordance with section 239B.9.

9. "Minor parent" means an applicant or participant parent who is less than eighteen years of age and has never been married.

10. "Participant" means a person who is receiving full or partial family investment program assistance.

11. "PROMISE JOBS program" or "JOBS program" means the promoting independence and self-sufficiency through employment job opportunities and basic skills program created in section 239B.17.

12. "Specified relative" means a person who is or was at any time, one of the following relatives of an applicant or participant child, by means of blood relationship, marriage, or adoption, or is a spouse of one of the following relatives:

- a. Parent.
- b. Grandparent.

- c. Great-grandparent.
- d. Great-great-grandparent.
- e. Stepparent of the child, but not the parent of the stepparent.
- f. Sibling.
- g. Stepsibling.
- h. Sibling by at least the half blood.
- i. Uncle or aunt by at least the half blood.
- j. Great-uncle or great-aunt.
- k. Great-great-uncle or great-great-aunt.
- l. First cousin.
- m. Nephew or niece.
- n. Second cousin.

Sec. 3. NEW SECTION. 239B.2 CONDITIONS OF ELIGIBILITY.

Within available funding, the department shall make assistance available to eligible families under the family investment program. At a minimum, a family shall meet all of the following conditions of eligibility:

1. **APPLICATION.** An application for the program is made to the department. The application shall be in writing or reduced to writing in the manner and upon the form prescribed by the department. The application shall be made by the specified relative with whom the child resides or will reside, and shall contain the information required on the application form. One application may be made for several children of the same family if the children reside or will reside with the same specified relative.

2. **INCOME AND RESOURCES.** The family meets income and resource guidelines established by the department to attain or retain financial eligibility. In determining a family's income and resources, the department shall consider the income and resources of the child, the child's parent, the child's stepparent living with the child, or any other specified relative with whom the child resides or will reside available to the family unless specifically exempted as provided in section 239B.7 or by rule or unless otherwise provided by federal law. A family's failure to meet the income or resource guidelines shall result in denial of the family's eligibility for the program.

3. **UNEMPLOYMENT.** A determination of eligibility for a family with an unemployed parent shall not include consideration of either parent's number of hours of employment except to establish the date assistance would begin in accordance with rules. However, both parents must enter into and participate in a family investment agreement and participate in JOBS program activities unless good cause not to participate is established in accordance with rules. For the purposes of this chapter, an applicant family with a parent who is partially or totally unemployed under any of the following circumstances shall not be considered to be unemployed:

a. The period of unemployment is less than thirty days prior to commencing participation under this chapter.

b. The parent is partially or totally unemployed due to a work stoppage which exists because of a labor dispute at the factory, establishment, or other premises at which the parent is or was last employed.

c. At any time during the thirty-day period prior to commencing participation under this chapter, the parent has not been available for employment, has not actively sought employment, or has without good cause refused any bona fide offer of employment or training for employment. Any of the following reasons for refusing employment or training are not good cause:

(1) Unsuitable or unpleasant work or training, if the parent is able to perform the work or training without unusual danger to the parent's health.

(2) The amount of wages or compensation, unless the wages for employment are below the amount customary for the same work in the community.

d. The parent has not registered for work with the state employment service established

pursuant to section 96.12, or after registration has failed to report at an employment office in accordance with regulations prescribed pursuant to section 96.4, subsection 1.

e. The parent is eligible but refuses to apply for or to draw upon unemployment benefits.

f. The parent or family fails to meet other requirements adopted by the department applicable to the applicant parent or family. The other requirements shall be limited to those necessary to meet federal requirements and may be in addition to or in lieu of the requirements of this subsection, for eligibility under this chapter to children whose parents are partially or totally unemployed.

4. **FAMILY INVESTMENT AGREEMENT.** Unless exempt as provided in section 239B.8, a family which is eligible for the program shall enter into a family investment agreement with the department. A family must comply with the conditions in the agreement in order to retain eligibility.

5. **PROVISION OF INFORMATION.** The family provides requested information to the department. The department shall adopt rules specifying the conditions under which an applicant or participant family is denied eligibility for family investment program assistance for failure to provide requested information.

6. **COOPERATION WITH CHILD SUPPORT REQUIREMENTS.** The department shall provide for prompt notification of the department's child support recovery unit if assistance is provided to a child whose parent is absent from the home. An applicant or participant shall cooperate with the child support recovery unit and the department as provided in 42 U.S.C. § 608(a)(2) unless the applicant or participant qualifies for good cause or other exception as determined by the department in accordance with the best interest of the child and with standards prescribed by rule. If a specified relative with whom a child is residing fails to comply with these cooperation requirements, a sanction shall be imposed as defined by rule in accordance with state and federal law.

7. **PERIODIC REVIEWS.** As a condition of eligibility, the department may require periodic reports from a participant concerning the participant's income, resources, family composition, and other circumstances. If the participant's circumstances change, the participant's assistance may be continued, renewed, suspended, changed in amount, or entirely withdrawn, as determined in accordance with rule.

8. **OUT-OF-STATE ASSISTANCE.** Assistance shall be paid to a participant residing temporarily out-of-state if the participant retains residency in this state and remains otherwise eligible for assistance. The department shall periodically redetermine the eligibility of a participant who is temporarily residing out-of-state.

Sec. 4. **NEW SECTION.** 239B.3 CASH ASSISTANCE.

1. a. Within available funding, the department shall provide an ongoing cash assistance grant under the family investment program to a family eligible under section 239B.2.

b. For an eligibility decision involving an applicant family with a specified relative, within thirty days of the date of an application, the department shall issue a notice of the department's decision to the specified relative.

2. For an applicant or participant family, the department shall calculate and pay the cash assistance grant on a monthly basis, taking into consideration all of the following:

- a. The income and resources of the family.
- b. Whether the family has entered into a limited benefit plan.
- c. The size of the family.
- d. Available funding.

3. The department may pay cash assistance and other cash benefits paid under this chapter by warrant, through a direct deposit to a financial institution of a participant, or through an electronic benefits transfer.

4. The department may pay, from funds appropriated for this purpose, a maximum of four hundred dollars toward funeral expenses on the death of a child who is a participant or has been authorized to participate in the family investment program, provided both of the following conditions apply:

a. The decedent does not leave an estate which may be probated with sufficient proceeds to allow for payment of the funeral expenses.

b. Payments which are due the decedent's estate or beneficiary by reason of the liability of a life insurance, death or funeral benefit company, association, or society, or in the form of United States social security, railroad retirement, or veterans' benefits upon the death of the decedent, are deducted from the department's payment under this section.

Sec. 5. NEW SECTION. 239B.4 DEPARTMENTAL ROLE.

1. The department is the state entity designated to administer federal funds received for purposes of the family investment program and the JOBS program under this chapter, including, but not limited to, the funding received under the federal temporary assistance for needy families block grant as authorized under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, and as such is the lead agency in preparing and filing state plans, state plan amendments, and other reports required by federal law.

2. The department is responsible for a management information system, eligibility determination, participant grant calculations and issuance of payments, contracting for services, provision of an appeal or resolution process to applicants and participants, determining the suitability of a family home maintained by a specified relative applicant or participant, and other activities as necessary to administer the family investment program and the JOBS program.

3. The department may adopt rules pursuant to chapter 17A as necessary to administer this chapter.

Sec. 6. NEW SECTION. 239B.5 COMPLIANCE WITH FEDERAL LAW.

1. If, as a condition of receiving federal funds for the family investment program, federal law requires implementation and administration of certain activities during a period when the general assembly is not in session, the department shall proceed to implement and administer those provisions, even if in conflict with other existing state law. However, the period of implementation authorized under this subsection shall end upon the adjournment of the regular session of the general assembly immediately following the commencement of the period of implementation.

2. The department may submit waiver requests to the United States department of health and human services as necessary to implement and administer any provision under this chapter, or to implement any subsequent initiative that requires a waiver from federal law.

3. a. The provisions of the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193, § 115, shall not apply to an applicant or participant.

b. However, unless exempt for good cause under rules adopted by the department for this purpose, an applicant or participant convicted under federal or state law of a felony offense, which has as an element the possession, use, or distribution of a controlled substance, as defined in 21 U.S.C. § 802(6), shall be required to participate in drug rehabilitation activities or to fulfill other requirements to verify that the applicant or participant does not illegally possess, use, or distribute a controlled substance.

Sec. 7. NEW SECTION. 239B.6 ASSIGNMENT OF SUPPORT RIGHTS OR BENEFITS.

1. An assignment of support rights to the department is created by either of the following:

a. An applicant and other persons covered by an application are deemed to have assigned to the department at the time of application all rights to periodic support payments to the extent of the amount of assistance received by the applicant and by other persons covered by the application.

b. A determination that a child or another person covered by an application is eligible for assistance under this chapter creates an assignment by operation of law to the department of all rights to periodic support payments not to exceed the amount of assistance received by the child and other persons covered by the application.

2. An assignment takes effect upon determination that an applicant or another person covered by an application is eligible for assistance under this chapter, applies to both current and accrued support obligations, and terminates when an applicant or another person covered by an application ceases to receive assistance under this chapter, except with respect to the amount of unpaid support obligations accrued under the assignment. If an applicant or another person covered by an application ceases to receive assistance under this chapter and the applicant or other person covered by the application receives a periodic support payment, subject to limitations under federal law, the department is entitled only to that amount of the periodic support payment above the current periodic support obligation.

3. Assistance paid or payable under this chapter is not transferable or assignable at law or in equity, and none of the assistance paid or payable is subject to execution, levy, attachment, garnishment, or other legal process, or to the operation of any bankruptcy or insolvency law.

Sec. 8. NEW SECTION. 239B.7 INCOME AND RESOURCE EXEMPTIONS, DEDUCTIONS, AND DISREGARDS.

In determining a family's income and resources for purposes of the family's initial and continuing eligibility for assistance and for determining grant amounts, the provisions of this section shall apply to the family and individual family members.

1. **WORK EXPENSE DEDUCTION.** If an individual's earned income is considered by the department, the individual shall be allowed a work expense deduction equal to twenty percent of the earned income. The work expense deduction is intended to include all work-related expenses other than child day care. These expenses shall include but are not limited to all of the following: taxes, transportation, meals, uniforms, and other work-related expenses. However, the work expense deduction shall not be allowed for an individual who is subject to a sanction for failure to comply with family investment program requirements.

2. **WORK-AND-EARN INCENTIVE.** If an individual's earned income is considered by the department, the individual shall be allowed a work-and-earn incentive. The incentive shall be equal to fifty percent of the amount of earned income remaining after all other deductions are applied. The department shall disregard the incentive amount when considering the earned income available to the individual. The incentive shall not have a time limit. The work-and-earn incentive shall not be withdrawn as a penalty for failure to comply with family investment program requirements.

3. **CHILD DAY CARE DEDUCTION.** A family shall be allowed a child day care deduction as specified in rules. A family with a stepparent shall be allowed a child day care deduction for any children of the stepparent or the parent, subject to the limits provided in applicable rules.

4. **EMPLOYMENT EARNINGS DISREGARD.** If an individual begins employment but was unemployed for at least twelve months before beginning employment and timely reports the earnings from the employment, the earnings shall be subject to an income disregard. This income disregard shall apply in determining the individual's eligibility and cash grant levels under the family investment program during the individual's first four months of employment. To be eligible for the income disregard, the employment must commence following the date of the individual's application for the family investment program. The department shall adopt rules defining the term "unemployed" for the purposes of this subsection. The income disregard shall not be withdrawn as a penalty for failure to comply with family investment program requirements.

5. **INCOME CONSIDERATION.** If an individual has timely reported an absence of income to the department, consideration of the individual's income shall cease beginning in the first month the income is absent. However, this provision shall not apply to an individual who has quit employment without good cause as defined in rules.

6. **INTEREST INCOME.** Interest income shall be disregarded.

7. **INDIVIDUAL DEVELOPMENT ACCOUNT DEPOSITS.** The department shall disregard as income any moneys an individual deposits in an individual development account

established pursuant to chapter 541A.

8. **MOTOR VEHICLE DISREGARD.** The department shall disregard the first three thousand eight hundred eighty-nine dollars in equity value of a motor vehicle. Beginning July 1, 1997, and continuing in succeeding fiscal years, the motor vehicle equity value disregarded by the department shall be increased by the latest increase in the consumer price index for used vehicles during the previous state fiscal year. This disregard shall be applicable to each adult and to each working individual in a family who is nineteen years of age or younger. The amount of a motor vehicle's equity in excess of the amount of the motor vehicle disregard shall apply to the resource limitation established in subsection 10.*

9. **RESOURCE LIMITATION.**

a. The resource limitation for an applicant family for the family investment program shall be two thousand dollars.

b. The resource limitation for a participant family shall be five thousand dollars.

c. The department shall disregard not more than ten thousand dollars of a self-employed individual's tools of the trade or capital assets in considering the individual's resources.

10. **INDIVIDUAL DEVELOPMENT ACCOUNT EARNINGS AND BALANCE.** The department shall disregard any earnings and the balance of an individual development account established pursuant to chapter 541A in considering an individual's resources.

Sec. 9. **NEW SECTION. 239B.8 FAMILY INVESTMENT AGREEMENTS.**

The department shall establish a policy regarding the implementation of family investment agreements which limits the period of eligibility for the family investment program based upon the requirements of a family's plan for self-sufficiency. The policy shall require a family's plan to be specified in a family investment agreement between the family and the department. The department shall adopt rules to administer the policy. The components of the policy shall include but are not limited to all of the following:

1. **PARTICIPATION — EXEMPTIONS.** A parent living in a home with a child for whom an application for family investment program assistance has been made or for whom the assistance is provided, and all other individual members of the family whose needs are included in the assistance shall be subject to a family investment agreement unless any of the following conditions exists:

a. The individual is completely unable to participate in any agreement option due to disability.

b. The individual is less than sixteen years of age and is not a parent.

c. The individual is sixteen through eighteen years of age, is not a parent, and is attending elementary or secondary school, or the equivalent level of vocational or technical school, on a full-time basis.

2. **AGREEMENT OPTIONS.** A family investment agreement shall require an individual to participate in one or more of the options enumerated in this subsection. An individual's level of participation in one or more of the options shall be equivalent to the level of commitment required for full-time employment or shall be significant so as to move the individual's level of participation toward that level. The department shall adopt rules for each option defining requirements and establishing assistance provisions for child day care, transportation, and other support services. The options shall include but are not limited to all of the following:

a. Full-time or part-time employment.

b. Active job search.

c. Participation in the JOBS program.

d. Participation in other education or training programming.

e. Participation in a family development and self-sufficiency grant program under section 217.12 or other family development program.

f. Work experience placement.

g. Unpaid community service. Community service shall be authorized in any nonprofit association which has been determined under section 501(c)(3) of the Internal Revenue

* Subsection 9 probably intended

Code to be exempt from taxation or in any government agency. Upon request, the department shall provide a listing of potential community service placements to an individual. However, an individual shall locate the individual's own placement and perform the number of hours required by the agreement. The individual shall file a monthly report with the department which is signed by the director of the community service placement verifying the community service hours performed by the individual during that month. The department shall develop a form for this purpose.

h. Any other arrangement which would strengthen the individual's ability to be a better parent, including but not limited to participation in a parenting education program. Parental leave from employment shall be authorized for a parent of a child who is less than three months of age. An opportunity to participate in a parental education program shall also be authorized for such a parent. An individual who is not a parent who is nineteen years of age or younger or a parent of a child who is less than three months of age shall simultaneously participate in at least one other option enumerated in this subsection.

3. LIMITED BENEFIT PLAN. If a participant fails to comply with the provisions of the participant's family investment agreement during the period of the agreement, the limited benefit plan provisions of section 239B.9 shall apply.

4. COMPLETION OF AGREEMENT.

a. Upon the completion of the terms of the agreement, family investment program assistance to a participant family covered by the agreement shall cease or be reduced in accordance with rules.

b. However, if the period in which a participant family is without cash assistance is one month or less and the participant family has not become exempt from JOBS program participation at the time the participant family reapplies for cash assistance, the participant family's family investment agreement shall be reinstated at the time the participant family reapplies. The reinstated agreement may be revised to accommodate changed circumstances present at the time of reapplication.

c. The department shall adopt rules to administer this subsection and to determine when a family is eligible to reenter the family investment program.

5. CONTRACTS. The department may contract with the department of workforce development, department of economic development, or any other entity to provide services relating to a family investment agreement.

6. CONFIDENTIAL INFORMATION DISCLOSURE. The department may disclose confidential information described in section 217.30, subsection 1, to other state agencies or to any other entity which is not subject to the provisions of chapter 17A and is providing services to a participant family who is subject to a family investment agreement, if necessary in order for the participant family to receive the services. The department shall adopt rules establishing standards for disclosure of confidential information if disclosure is necessary in order for a participant to receive services.

Sec. 10. NEW SECTION. 239B.9 LIMITED BENEFIT PLAN.

1. GENERAL PROVISIONS. If a participant responsible for signing and fulfilling the terms of a family investment agreement, as defined by the director of human services in accordance with section 239B.8, chooses not to sign or fulfill the terms of the agreement, the participant's family, 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 of the limited benefit plan 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 imposition of a limited benefit plan. The elements of a limited benefit plan shall be specified in the department's rules.

2. PLAN APPLIED. 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. **PARENT.** If the participant responsible for the family investment agreement is a parent or a specified relative, for a first limited benefit plan, the participant's family is eligible for up to three months of reduced assistance based on the needs of the children only. At the end of the three-month period of reduced assistance, the family becomes ineligible for assistance for a six-month period. For a second or subsequent limited benefit plan chosen by the same participant a six-month period of ineligibility applies beginning with the effective date of the limited benefit plan. If the family reapplies for assistance after a 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. **NEEDY RELATIVE PAYEE.** 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 whose needs are included in the assistance 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 six-month period of ineligibility applies beginning with the effective date of the limited benefit plan.

c. **MINOR PARENT LIVING WITH ADULT PARENT OR SPECIFIED RELATIVE.** If the participant family includes a minor parent living with the minor parent's adult parent or specified relative who receives family investment program assistance and both individuals are responsible for developing a family investment agreement, each individual is responsible for a separate family investment agreement, and the limited benefit plan shall be applied as follows:

(1) If the adult parent or specified relative chooses the limited benefit plan, the requirements of the limited benefit plan shall apply to the entire participant family, even though the minor parent has not chosen the limited benefit plan. However, the minor parent may reapply for assistance as a minor parent living with self-supporting parents or living independently 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. **MINOR PARENT — ONLY CHILD.** If the minor parent is the only child in the adult parent or specified relative's home and the minor parent chooses the limited benefit plan, assistance shall not be paid to the adult parent or specified relative in this instance.

e. **CHILDREN WHO ARE MANDATORY JOBS PROGRAM PARTICIPANTS.** If the participant family 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 family investment agreement applicable to the family and to carry out the responsibilities of that family investment agreement. A limited benefit plan shall be applied as follows:

(1) If the parent or specified relative responsible for a family investment agreement meets the responsibilities of the family investment agreement but a child who is a mandatory JOBS program participant chooses an individual limited benefit plan, the family is eligible for reduced assistance during the child's limited benefit plan. However, the child, as part of the family, 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 participant family, assistance shall not be paid to the adult parent, parents, or specified relative in this instance.

f. **EXEMPT PARENT.** If a participant family includes a parent, parents, or specified relative 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. TWO PARENTS. If the participant family includes two parents, a limited benefit plan shall be applied as follows:

(1) If only one parent of a child in the family 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 participant family's grant during the three-month reduced assistance 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 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 family are responsible for a family investment agreement, both parents shall 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 family's grant during the three-month reduced assistance 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 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 family 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.

3. PLAN CHOSEN. 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 a 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 assistance, and the beginning and ending dates of the six-month period of ineligibility. If a participant is deemed to have chosen a limited benefit plan, timely and adequate notice provisions, as determined by the director of human services, shall apply.

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

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

4. RECONSIDERATION. 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 assistance 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 assistance shall not begin until the participant signs a family investment agreement during the JOBS program orientation and assessment process, retroactive assistance 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.

5. **WELL-BEING VISIT.** 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 family'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 family during month two of the period of reduced assistance. 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 family 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 family 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 family during month two of the limited benefit plan.

6. **APPEAL.** A participant has the right to appeal the establishment of the limited benefit plan only once, except for a first limited benefit plan two opportunities to appeal shall be available. 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 composition of the family, or another worker error, a hearing shall be granted, regardless of the person's limited benefit plan status.

Sec. 11. **NEW SECTION. 239B.10 MINOR AND YOUNG PARENTS — OTHER REQUIREMENTS.**

1. **LIVING ARRANGEMENT.** Unless any of the following conditions apply, a minor parent shall be required to live with the minor's parent or legal guardian:

a. The parent or guardian of the minor parent is deceased, missing, or living in another state.

b. The minor parent's health or safety would be jeopardized if the minor parent is required to live with the parent or guardian.

c. The minor parent is in foster care.

d. The minor parent is participating in the job corps solo parent program or independent living program.

e. Other good cause exists, which is identified in rules adopted by the department for this purpose, for the minor parent to participate in the family investment program while living apart from the minor parent's parent or guardian.

2. **FAMILY DEVELOPMENT.** A minor parent who is a participant and is not required to live with the minor parent's parent or guardian pursuant to subsection 1 shall be required to participate in a family development program identified in rules adopted by the department.

3. **PARENTING CLASSES.** Participant parents who are nineteen years of age or younger shall be required to attend parenting classes.

4. **EDUCATION.** The department shall require, subject to the availability of child day care for a minor parent's children, that a minor parent must either have graduated from high school or have received a high school equivalency diploma, or be engaged full-time in completing high school graduation or equivalency requirements.

5. **EARNINGS DISREGARD.** In determining family investment program eligibility and calculating the amount of assistance, the department shall disregard earnings of an applicant or a participant who is nineteen years of age or younger who is engaged full-time in completing high school graduation or equivalency requirements.

6. **FAMILY PLANNING.** The department shall do all of the following with newly eligible and existing participant parents:

a. Discuss orally and in writing the financial implications of newly born children on the participant's family.

b. Discuss orally and in writing the available family planning resources.

c. Include family planning counseling as an optional component of the JOBS program.

d. Include the participant's family planning objectives in the family investment agreement.

Sec. 12. NEW SECTION. 239B.11 FAMILY INVESTMENT PROGRAM ACCOUNT.

1. An account is established in the state treasury to be known as the family investment program account under control of the department to which shall be credited all funds appropriated by the state for the payment of assistance and JOBS program expenditures. All other moneys received at any time for these purposes, including child support revenues, shall be deposited into the account as provided by law. All assistance and JOBS program expenditures under this chapter shall be paid from the account.

2. A diversion program subaccount is created within the family investment program account. The subaccount may be used to provide incentives to divert applicants' participation in the family investment program if the applicants would otherwise be eligible for assistance. Incentives may be provided in the form of payment or services with a focus on helping applicants to obtain or retain employment. The diversion program subaccount may also be used for payments to participants as necessary to cover the expenses of removing barriers to employment.

Sec. 13. NEW SECTION. 239B.12 IMMUNIZATION.

1. To the extent feasible, the department shall determine the immunization status of children receiving assistance under this chapter. The status shall be determined in accordance with the immunization recommendations adopted by the Iowa department of public health under section 139.9, including the exemption provisions in section 139.9, subsection 4. If the department determines a child is not in compliance with the immunization recommendations, the department shall refer the child's parent or guardian to a local public health agency for immunization services for the child and other members of the child's family.

2. The department of human services shall cooperate with the Iowa department of public health to establish an interagency agreement allowing the sharing of pertinent client data, as permitted under federal law and regulation, for the purposes of determining immunization rates of participants, evaluating family investment program efforts to encourage immunizations, and developing strategies to further encourage immunization of participants.

Sec. 14. NEW SECTION. 239B.13 NEEDY RELATIVE PAYEE — PROTECTIVE PAYEE — VENDOR PAYMENT.

1. The department may provide for a needy relative to act as a payee when the parent of a participant family is in the home but is unable to act as the payee.

2. The department may order the cash assistance under this chapter to be paid to a protective payee if it has been demonstrated that the specified relative with whom the child is residing is unable to manage the assistance in the best interest of the child. Protective payment of cash assistance shall not be made beyond a period of two years. The department may petition the district court sitting in probate to establish, pursuant to chapter 633, a

conservatorship over a participant. If a conservatorship is established, the participant's cash assistance shall be paid to the conservator. In addition to the cash assistance, an amount not to exceed ten dollars per case per month may be allowed for conservatorship or guardianship fees if authorized by court order. The department may pay cash assistance or other cash benefits to a third party if the department determines that a third-party payment is essential to assure the proper use of the assistance or benefits.

Sec. 15. NEW SECTION. 239B.14 FRAUDULENT PRACTICES — RECOVERY.

1. An individual who obtains, or attempts to obtain, or aids or abets an individual to obtain, by means of a willfully false statement or representation, by knowingly failing to disclose a material fact, or by impersonation, or any fraudulent device, any assistance or other benefits under this chapter to which the individual is not entitled, commits a fraudulent practice.

2. An individual who commits a fraudulent practice under this section is personally liable for the amount of assistance or other benefits fraudulently obtained. The amount of the assistance or other benefits may be recovered from the offender or the offender's estate in an action brought or by claim filed in the name of the state and the recovered funds shall be deposited in the family investment program account. The action or claim filed in the name of the state shall not be considered an election of remedies to the exclusion of other remedies.

Sec. 16. NEW SECTION. 239B.15 COUNTY ATTORNEY TO ENFORCE.

Violations of law relating to the family investment program shall be prosecuted by county attorneys. Area prosecutors of the office of the attorney general shall provide prosecution assistance.

Sec. 17. NEW SECTION. 239B.16 APPEAL — JUDICIAL REVIEW.

If an applicant's application is not acted upon within a reasonable time, if it is denied in whole or in part, or if a participant's assistance or other benefits under this chapter are modified, suspended, or canceled under a provision of this chapter, the applicant or participant may appeal to the department of human services which shall request the department of inspections and appeals to conduct a hearing. Upon completion of a hearing, the department of inspections and appeals shall issue a decision which is subject to review by the department of human services. Judicial review of the actions of the department of human services may be sought in accordance with chapter 17A. Upon receipt of a notice of the filing of a petition for judicial review, the department of human services shall furnish the petitioner with a copy of any papers filed in support of the petitioner's position, a transcript of any testimony taken, and a copy of the department's decision.

Sec. 18. NEW SECTION. 239B.17 PROMISE-JOBS PROGRAM.

1. PROGRAM ESTABLISHED. The promoting independence and self-sufficiency through employment — job opportunities and basic skills program is established for applicants and participants of the family investment program. The requirements of the JOBS program shall vary as provided in the family investment agreement applicable to a family. The department of workforce development, department of economic development, department of education, and all other state, county, and public educational agencies and institutions providing vocational rehabilitation, adult education, or vocational or technical training shall assist and cooperate in the JOBS program. The departments, agencies, and institutions shall make agreements and arrangements for maximum cooperation and use of all available resources in the program. By mutual agreement the department of human services may delegate any of the department of human services' powers and duties under this chapter to the department of workforce development or to the department of economic development.

2. PROGRAM ACTIVITIES. The JOBS program shall include, but is not limited to, provision of the following activities:

- a. Placing applicants and participants in employment and on-the-job training.

b. Institutional and work experience training for applicants and participants for whom the training is likely to lead to regular employment.

c. Special work projects for applicants and participants for whom a job in the regular economy cannot be found.

d. Incentives, opportunities, services, and other benefits to aid applicants and participants.

Sec. 19. NEW SECTION. 239B.18 JOBS PROGRAM PARTICIPATION.

Except for participants who are exempt from the requirement to enter into a family investment agreement under section 239B.8, a participant in the family investment program shall participate in JOBS program activities as provided in the participant's family investment agreement. A participant who is exempt may voluntarily participate in the JOBS program.

Sec. 20. NEW SECTION. 239B.19 JOBS PROGRAM AVAILABILITY.

1. Within available funding, the department shall make JOBS program services and benefits available to individuals who are participating in the JOBS program.

2. An individual's efforts under the JOBS program to attain a certificate of general educational development, high school diploma, or adult basic literacy where the individual has not previously received the certification shall be optional except as otherwise required by this chapter or by federal law. The department shall provide incentives to encourage optional efforts to attain such certifications.

3. When needed, arrangements shall be made for the care of children during the absence from the home of an individual participating in the JOBS program.

Sec. 21. NEW SECTION. 239B.20 JOBS PROGRAM HEALTH AND SAFETY.

The director shall establish and maintain reasonable standards for health, safety, and other conditions under the JOBS program.

Sec. 22. NEW SECTION. 239B.21 JOBS PROGRAM — WORKERS' COMPENSATION LAW APPLICABLE.

A participant, with respect to employment performed under the JOBS program, shall be covered by the workers' compensation law or shall otherwise be provided with comparable protection.

Sec. 23. NEW SECTION. 239B.22 JOBS PROGRAM — PARTICIPANT NOT STATE EMPLOYEE.

A participant shall not be deemed to be an employee of the state or any of its political subdivisions by reason of participation in the JOBS program. However, this section shall not prevent the participant from having the status of an employee for the purposes of workers' compensation.

Sec. 24. NEW SECTION. 239B.23 CHILD DAY CARE PROVISIONS.

The following provisions involving child day care benefits shall apply to individuals who no longer receive family investment program assistance due to employment:

1. Eligibility for transitional child care benefits for a period of twenty-four months.

2. The department shall automatically determine an individual's eligibility for other child day care benefits if the individual is not eligible for transitional child care or eligibility for transitional child care benefits is exhausted.

Sec. 25. Section 249A.2, Code 1997, is amended by adding the following new subsection: NEW SUBSECTION. 4A. "Family investment program" means the family investment program eligibility requirements under chapter 239B, except to the extent federal law requires application of the eligibility requirements under chapter 239, Code 1997, as in effect on July 16, 1996.

Sec. 26. Section 249A.3, subsection 1, paragraphs b, e, f, and m, Code 1997, are amended to read as follows:

b. ~~Is a recipient of an individual who is eligible for the family investment program payments under chapter 239~~ or is an individual who would be eligible for unborn child payments under the family investment program, as authorized by Title IV-A of the federal Social Security Act, if the family investment program ~~under chapter 239~~ provided for unborn child payments during the entire pregnancy.

e. Is a pregnant woman whose pregnancy has been medically verified and who qualifies under either of the following:

(1) The woman would be eligible for a cash ~~payment assistance~~ under the family investment program ~~under chapter 239~~, if the child were born and living with the woman in the month of payment.

(2) The woman meets the income and resource requirements of the family investment program ~~under chapter 239~~, provided the unborn child is considered a member of the household, and the woman's family is treated as though deprivation exists.

f. Is a child who is less than seven years of age and who meets the income and resource requirements of the family investment program ~~under chapter 239~~.

m. Is an individual or family who is ineligible for the family investment program ~~under chapter 239~~ because of requirements that do not apply under Title XIX of the federal Social Security Act.

Sec. 27. Section 249A.3, subsection 1, Code 1997, is amended by adding the following new paragraphs:

NEW PARAGRAPH. r. Is an individual who is no longer eligible for the family investment program due to earned income. The department shall provide transitional medical assistance to the individual for the maximum period allowed for federal financial participation under federal law.

NEW PARAGRAPH. s. Is an individual who is no longer eligible for the family investment program due to the receipt of child or spousal support. The department shall provide transitional medical assistance to the individual for the maximum period allowed for federal financial participation under federal law.

Sec. 28. Section 249A.3, subsection 2, paragraph c, Code 1997, is amended to read as follows:

c. Individuals who are receiving care in an institution for mental diseases, and who are under twenty-one years of age and whose income and resources are such that they are eligible for the family investment program ~~under chapter 239~~, or who are sixty-five years of age or older and who meet the conditions for eligibility in paragraph "a" of this subsection.

Sec. 29.

1. Chapters 239 and 249C, Code 1997, are repealed.
2. Section 249A.17, Code 1997, is repealed.

Sec. 30. UNEMPLOYED PARENT PROGRAM. The department of human services shall simplify family investment program eligibility criteria applicable to families with an unemployed parent in order to be consistent with the criteria applicable to other families. The simplification shall reduce from thirty days to seven days the period required before assistance can be granted to a family with an unemployed parent. The department shall apply the provisions of this section effective January 1, 1998.

Sec. 31. FAMILY OR DOMESTIC VIOLENCE. The department of human services shall consider options for implementing special family and domestic violence provisions authorized under the federal Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Pub. L. No. 104-193. The options considered shall include screening, identification, provision of services, and waiving of program requirements for a family investment program applicant or participant who is or has been a victim of family or domestic violence if the violence is deemed to have impaired the applicant's or participant's ability to participate

in the PROMISE JOBS program. The department shall work with the welfare reform advisory group or an associated work group in considering the options. The department may implement the provisions by adopting administrative rules or may propose implementation legislation for consideration by the general assembly in the 1998 legislative session.

Sec. 32. CODE EDITOR.

1. The Code editor shall revise references in the Code to any section in chapter 239 to instead refer to the appropriate section in chapter 239B. The references revised by the Code editor pursuant to this section shall take effect July 1, 1997. The reference changes considered by the Code editor shall include but are not limited to the following: sections 217.30, 234.6, 239A.1, 239A.3, 252B.3, 252B.4, 252B.5, 252B.20, 252C.1, 252D.8, 252E.1, 422.9, 541A.2, and 598.22A.

2. If the Code editor deems the revisions to be appropriate, the Code editor shall revise references to the "job opportunities and basic skills program" to instead refer to the "promoting independence and self-sufficiency through employment job opportunities and basic skills program" and to comparable references in chapter 239B, as enacted by this Act. The reference revisions shall include but are not limited to the following sections: 84A.6, 217.30, 239A.1, and 541A.2.

3. In lieu of revising a reference under this section, the Code editor may instead submit a coordinating amendment in a Code editor's bill for the 1998 or 1999 legislative session.

Sec. 33. ADMINISTRATIVE RULES. Administrative rules of the department of human services in effect on the effective date of this Act which provide for medical assistance eligibility based upon receipt of assistance under the family investment program shall be deemed to apply the definition of family investment program in section 249A.2, subsection 4A, as enacted by this Act.

Sec. 34. EFFECTIVE DATE. This division of this Act, being deemed of immediate importance, takes effect upon enactment. However, the department of human services shall implement the following provisions on or after the date indicated:

1. The department shall include a second cousin as a specified relative as provided in section 239B.1, subsection 12, paragraph "n", as enacted in this Act, beginning July 1, 1997.

2. The department shall phase in the required participation in a family investment agreement for individuals who meet the conditions described in paragraph "a" or "b". The phase-in shall be implemented in a manner so that the required participation applies to all family investment program participants on or before July 1, 1998. The phase-in of the required participation applies to individuals who meet either of the following conditions:

a. The individual is a parent or specified relative of a child who is less than three months of age and began caring for the child before a referral of the individual to the job opportunities and basic skills program.

b. The individual is working thirty hours or more per week and began working before a referral of the individual to the job opportunities and basic skills program.

DIVISION II

Sec. 35. Section 239B.7, subsection 4, as enacted by this Act, is amended by striking the subsection.

Sec. 36. EFFECTIVE DATE AND APPLICABILITY. This division of this Act takes effect October 1, 1997. However, the earnings disregard under section 239B.7, subsection 4, as enacted in this Act, shall remain applicable for the full period of time for those individuals who are eligible for the employment earnings disregard as of September 30, 1997.

Approved April 18, 1997