

## Red Tape Review Rule Report (Due: September 1, 2023)

<b>Department Name:</b>	Health & Human Services (HHS)	<b>Date:</b>	8/28/2023	<b>Total Rule Count:</b>	4
<b>IAC #:</b>	441	<b>Chapter/ SubChapter/ Rule(s):</b>	122	<b>Iowa Code Section Authorizing Rule:</b>	256I
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**PLEASE NOTE, THE BOXES BELOW WILL EXPAND AS YOU TYPE**

**What is the intended benefit of the rule?**

This rule chapter sets forth oversight measures of the department in relation to the Early Childhood Iowa area boards to ensure sound fiscal management of Early Childhood Iowa funds. The department reviews internal controls managing disbursement of funding, approves and signs agreements between the area boards and the state, requires a regular audit of funds managed by each area board, and ensures area boards have liability insurance and a contract-monitoring schedule for their funded programs.

Sound fiscal oversight of Early Childhood Iowa area boards works to ensure these boards operate optimally, allowing boards to successfully improve efficiency and effectiveness of early care services provided to families.

**Is the benefit being achieved? Please provide evidence.**

Figures below are actuals incurred in the fiscal years shown.

**Identified Impacts\***

	SFY2020	SFY2021	SFY2022	3 Year Total
<b>Costs</b>				
State Agency Implementation	\$371,000	\$376,000	\$417,000	\$1,164,000
Area Board Audits	\$14,000	\$22,000	\$15,000	\$51,000
<b>Benefits</b>				
Increased Public Trust	Intangible	Intangible	Intangible	Intangible
Improved Early Care Services	Qualitative	Qualitative	Qualitative	Qualitative
<b>Net Value</b>	-\$385,000	-\$398,000	-\$432,000	-\$1,215,000

\*All monetary figures have been rounded to the nearest thousandth.

State agency team members provide on-going technical assistance and oversight of each local board’s operating procedures, the local board’s contract audits, community needs assessment reviews and local designation meetings, and reviews of reports submitted within IowaGrants.gov.

Local boards operate under sound fiscal policies, using programmatic data metrics aligned with their local investments, and pay for an annual official audit by a firm of their choice.

**What are the costs incurred by the public to comply with the rule?**

Early Childhood Iowa areas boards must comply with fiscal oversight measures by reporting in IowaGrants via a mid-year financial report, budget, and annual report with fiscal verification from their fiscal agent; including conducting regular financial audits of funds managed by the board.

**What are the costs to the agency or any other agency to implement/enforce the rule?**

HHS incurs personnel costs for team members to provide fiscal oversight of Early Childhood Iowa area boards; prior to FY2024 these team members reported to the Department of Management. Costs to the state agency have included a range of 2.5 FTE to 2.25 FTE, travel, and office space expenses across the fiscal years shown. These costs are reflected in the table above as "State Agency Implementation".

**Do the costs justify the benefits achieved? Please explain.**

The cost benefit analysis above shows a known three-year total net value of -\$1,215,000, averaging \$405,000 per year, to oversee improved early care services in those areas covered by an Early Childhood Iowa area board. Eliminating fiscal oversight measures as defined in this rule chapter may diminish the quality of operations of area boards, thus impacting the area board's ability to improve early care services to the same degree the board might when operating under sound fiscal practices. An area board using funds fraudulently or in contradiction to the requirements of Iowa Code may diminish public trust in the Early Childhood Iowa program and the department.

**Are there less restrictive alternatives to accomplish the benefit?  YES  NO**

**If YES, please list alternative(s) and provide analysis of less restrictive alternatives from other states, if applicable. If NO, please explain.**

HHS implements fiscal oversight of the Early Childhood Iowa area boards in accordance with requirements of Iowa Code. This rule chapter does not ascribe department duties or implementation elements in addition to those directly defined in Code.

**Does this chapter/rule(s) contain language that is obsolete, outdated, inconsistent, redundant, or unnecessary language, including instances where rule language is duplicative of statutory language? [list chapter/rule number(s) that fall under any of the above categories]**

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441-122.1  
441-122.2  
441-122.3

**RULES PROPOSED FOR REPEAL (list rule number[s]):**

441-122.2  
441-122.3

**\*RULES PROPOSED FOR RE-PROMULGATION\* (list rule number[s] or include text if available):**

441-122.1  
441-122.4

Rule language proposed for re-promulgation included as a separate document.

***\*For rules being re-promulgated with changes, please attach a document with suggested changes, if available.***

**METRICS**

<b>Total number of rules repealed:</b>	2
<b>Proposed word count reduction after repeal and/or re-promulgation</b>	233
<b>Proposed number of restrictive terms eliminated after repeal and/or re-promulgation</b>	2

**ARE THERE ANY RULES YOU WOULD RECOMMEND BE CODIFIED IN STATUTE?**

None identified.