

**HUMAN SERVICES DEPARTMENT[441]**

**Regulatory Analysis**

Notice of Intended Action to be published: 441—Chapter 65

“Supplemental Nutrition Assistance Program Administration”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 234.6 and 217.6

State or federal law(s) implemented by the rulemaking: Iowa Code chapter 234; H.R.2. Agriculture Improvement Act of 2018; Food and Nutrition Act of 2008; 7 U.S.C. 2011 et seq. as amended through Public Law (PL) 115-334, enacted December 20, 2018; 7 CFR 271; 7 CFR 272; 7 CFR 273; 7 CFR 274; Title VI Appendix, pg. 275; PL 107-171; PL 102-237; and PL 99-603

*Public Hearing*

A public hearing at which persons may present their views orally or in writing will be held as follows:

November 6, 2024

Microsoft Teams

2 to 3 p.m.

Meeting ID: 238 807 808 374

Passcode: sCAuM5

*Public Comment*

Any interested person may submit written or oral comments concerning this Regulatory Analysis, which must be received by the Department of Health and Human Services no later than 4:30 p.m.

on the date of the public hearing. Comments should be directed to:

## HUMAN SERVICES DEPARTMENT[441]

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### *Purpose and Summary*

The Supplemental Nutrition Assistance Program (SNAP) provides food benefits to eligible low-income families to supplement their food budget. This proposed chapter is intended to structure, simplify, and provide familiarity with the Department's implementation of SNAP.

### *Analysis of Impact*

1. Persons affected by the proposed rulemaking:

- Classes of persons that will bear the costs of the proposed rulemaking:

None were identified.

- Classes of persons that will benefit from the proposed rulemaking:

Iowans who are eligible for, or have an interest in, SNAP benefits will benefit.

2. Impact of the proposed rulemaking, economic or otherwise, including the nature and amount of all the different kinds of costs that would be incurred:

- Quantitative description of impact:

The Department incurs personnel costs for team members to implement the program. The costs of SNAP benefits are paid for by the federal government. The costs to administer SNAP are split between the state and the federal governments. So far in 2024, the Department is issuing on average \$44,127,783 per month in SNAP benefits. These rules have been used to implement SNAP in Iowa for more than 300,000 Iowans.

## HUMAN SERVICES DEPARTMENT[441]

- Qualitative description of impact:

These rules will benefit clients by providing program clarity and consistency.

### 3. Costs to the State:

- Implementation and enforcement costs borne by the agency or any other agency:

No additional costs are anticipated beyond those appropriated.

- Anticipated effect on state revenues:

No impact is anticipated on state revenues.

### 4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:

Eliminating these rules entirely could lead to confusion, lack of available information for this population, and lack of program clarity.

### 5. Determination whether less costly methods or less intrusive methods exist for achieving the purpose of the proposed rulemaking:

None were identified.

### 6. Alternative methods considered by the agency:

- Description of any alternative methods that were seriously considered by the agency:

No alternative methods were seriously considered.

- Reasons why alternative methods were rejected in favor of the proposed rulemaking:

Alternatives, such as the primary point of reference being state plans for SNAP Employment and Training (E&T) and SNAP, would be subject to constant revision and would cause inconsistencies and lack of clarity for the program. This chapter clarifies federal regulations and establishes a legal basis for Iowa's administrative options.

*Small Business Impact*

## HUMAN SERVICES DEPARTMENT[441]

If the rulemaking will have a substantial impact on small business, include a discussion of whether it would be feasible and practicable to do any of the following to reduce the impact of the rulemaking on small business:

- Establish less stringent compliance or reporting requirements in the rulemaking for small business.
- Establish less stringent schedules or deadlines in the rulemaking for compliance or reporting requirements for small business.
- Consolidate or simplify the rulemaking's compliance or reporting requirements for small business.
- Establish performance standards to replace design or operational standards in the rulemaking for small business.
- Exempt small business from any or all requirements of the rulemaking.

If legal and feasible, how does the rulemaking use a method discussed above to reduce the substantial impact on small business?

None were identified.

### *Text of Proposed Rulemaking*

ITEM 1. Rescind 441—Chapter 65 and adopt the following **new** chapter in lieu thereof:

#### *FOOD PROGRAMS*

##### TITLE VII

##### CHAPTER 65

##### SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM ADMINISTRATION

#### **441—65.1(234) Definitions.**

“*Notice of expiration*” means a message printed on a form prescribed by the department, which is automatically issued to the household.

## HUMAN SERVICES DEPARTMENT[441]

“*Supplemental Nutrition Assistance Program*” or “*SNAP*” means benefits provided by the federal program administered through 7 CFR Parts 270 through 283 (May 2, 2022).

**441—65.2(234) Administration of program.** SNAP will be administered in accordance with the Food and Nutrition Act of 2008, 7 U.S.C. 2011 et seq.; 7 CFR Parts 270 through 283 (May 2, 2022); PL 99-603; PL 104-193; PL 107-171; and with 42 U.S.C. Chapter 7 (January 7, 2011). A copy of the federal law and regulations may be obtained at no more than the actual cost of reproduction by contacting the department.

**441—65.3(234) State options.** The state of Iowa has selected SNAP state options that are tailored to meet the state’s operational considerations and policy preferences. These options can be viewed on the U.S Department of Agriculture website under the State Options Report.

**441—65.4(234) Treatment centers and group living arrangements.** Substance use treatment or rehabilitation centers and group living arrangements shall provide a list of participating residents to the department on a monthly basis.

**441—65.5(234) Appeals.** Fair hearings and appeals are provided according to 441—Chapter 7.

**441—65.6(234) Proration of benefits.** Benefits will be prorated using a 30-day month.

**441—65.7(234) Notice of expiration issuance.** Issuance of the automated Notice of Expiration will occur with the mailing of a form prescribed by the department.

**441—65.8(234) Verification.** Persons whose applications meet the initial criteria for error-prone cases may be subject to special verification procedures, including a face-to-face interview and additional documentation requirements in accordance with 481—Chapter 72.

## HUMAN SERVICES DEPARTMENT[441]

Failure to cooperate with the investigations division of the department of inspections, appeals, and licensing in establishing eligibility factors will not result in denial or cancellation of the household's SNAP benefits. The investigations division will gather as much information as possible without the client's cooperation. If further information is needed based on those findings, a request for information must be sent to the household.

### **441—65.9(234) Prospective budgeting.**

**65.9(1)** *Weekly or biweekly income.* The department will convert income and deductions that occur on a weekly or biweekly basis to monthly figures using family investment program (FIP) procedures.

**65.9(2)** *Income averaging.* The department will average income by anticipating income fluctuations over the certification period. The number of months used to arrive at the average income should be the number of months that are representative of the anticipated income fluctuation.

**441—65.10(234) Effective date of change.** A SNAP change caused by, or related to, a public assistance grant change will have the same effective date as the public assistance change.

**441—65.11(234) Work requirements.** As a condition of eligibility for SNAP benefits, each nonexempt household member must comply with SNAP work requirements.

**65.11(1)** *Deregistration.* Work registrants who obtain employment or otherwise become exempt from the work requirement subsequent to registration or who are no longer certified for participation are no longer considered registered.

**65.11(2)** *Employment and training (E&T) program.* The department will design and operate an employment and training program with the purpose of providing SNAP participants opportunities to gain skills, training, work, or experience that will increase their

## HUMAN SERVICES DEPARTMENT[441]

ability to obtain regular employment and meet state or local workforce needs in accordance with the Food and Nutrition Act of 2008, 7 U.S.C. 2011 et seq.

*a.* The employment and training program serves individuals who are:

(1) SNAP recipients or SNAP applicants.

(2) Not receiving FIP assistance or other cash assistance under Title IV such as Tribal Temporary Assistance for Needy Families (TANF) or Refugee Cash Assistance.

(3) Physically and mentally able to work or will be able to work within the next one year.

*b.* The department or its designee shall serve as the provider of employment and training services for SNAP recipients who wish to volunteer, except for those who are also recipients of FIP benefits. Federal law prohibits FIP recipients from participating in any SNAP E&T program.

*c.* The program offers a range of services from basic skills to advanced occupational training in order to accommodate persons with various levels of need and abilities. The department or its designee may require a potential E&T participant to engage in aptitude or vocational testing activities when deemed necessary to determine if a component is appropriate for improving employability.

*d.* The E&T program will be designed in consultation with the state workforce development board or with private employers or employer organizations if the department determines the latter approach is more effective and efficient.

(1) The E&T program will be designed to include case management services and at least one or more or a combination of employment and training components.

(2) An E&T plan will be submitted to the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture annually, in accordance with 7 CFR 273.7(c)(6) (May 2, 2022), and will be amended as necessary within the required time frame prior to implementation.

## HUMAN SERVICES DEPARTMENT[441]

**441—65.12(234) Income.** In determining eligibility, the department will exclude educational income, including any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under Title XIX of the Social Security Act (42 U.S.C. §1396 2011 et seq.) for the state's modified adjusted gross income (MAGI)-related medical assistance program, subject to subrule 65.12(4).

**65.12(1)** Notwithstanding anything to the contrary in these rules or regulations, the department will exclude educational income based on amounts earmarked by the institution, school, program, or other grantor as made available for the specific costs of tuition, mandatory fees, books, supplies, transportation, and miscellaneous personal expenses (other than living expenses).

**65.12(2)** If the institution, school, program, or other grantor does not earmark amounts made available for the allowable costs involved, students will receive an exclusion from educational income for educational assistance verified by the student as used for the allowable costs involved. Students can also verify the allowable costs involved when amounts earmarked are less than amounts that would be excluded by a strict earmarking policy.

**65.12(3)** For the purpose of this rule, mandatory fees include the rental or purchase of equipment, materials and supplies related to the course of study involved.

**65.12(4)** Certain types of student income will be treated as follows, regardless of how they are considered for MAGI-related medical assistance.

- a.* Wages are not excluded.
- b.* Federally funded work study is excluded.
- c.* State-funded work study is excluded up to the amount earmarked for educational expenses.



**HUMAN SERVICES DEPARTMENT[441]**

**441—65.13(234) Deductions.** A household in which all members are homeless may choose the homeless standard deduction in place of the shelter and utility expenses deduction.

**65.13(1)** Households choosing this option are not required to verify shelter-related expenses.

**65.13(2)** Households choosing this option are not eligible to receive a shelter or utility deduction.

**65.13(3)** The amount of the homeless standard deduction is determined by the FNS and adjusted annually.

**441—65.14(234) Student resources.** Any income excluded by rule 441—65.12(234) will be excluded from resources.

**441—65.15(234) Reinstatement.** When assistance has been canceled for failure to provide requested information, assistance will be reinstated without a new application if all information necessary to establish eligibility, including verification of any changes, is provided within 14 days of the effective date of cancellation and eligibility can be reestablished. If the fourteenth calendar day falls on a weekend or state holiday, the client shall have until the next business day to provide the information. The effective date of assistance will be the date all information required to establish eligibility is provided.

These rules are intended to implement Iowa Code sections 234.12 and 234.6.