

ATTACHMENT A.1

NOTICE OF OPTING OUT OF THE COMMUNITY SERVICE PROVISION

This notice is given pursuant to Section 402(a)(1)(B)(iv) of the Social Security Act. This is written notice that Iowa continues to choose to opt out of the provision that requires a parent or caretaker receiving assistance under the program who, after receiving such assistance for 2 months is not exempt from work requirements and is not engaged in work, as determined under section 407(c), to participate in community service employment, with minimum hours per work and tasks to be determined by the State.

However, it is important to note the following:

- Iowa provides unpaid community service as an option of the Family Investment Agreement under the PROMISE JOBS program.
- Unpaid community service is appropriate as a method of achieving or increasing employability for recipients who are not able to immediately move into paid employment.
- It is appropriate to expect individuals to seek other work-related opportunities where paid employment is not available and unpaid community service is reasonable.
- If determined necessary, in the future Iowa may expand the use of unpaid community service or mandate community service for certain recipients.

However, mandating unpaid community service as provided in Section 402(a)(1)(B)(iv) of the Social Security Act does not appear to be consistent with Iowa's current Family Investment Program or as it may potentially be changed in the future. Therefore, Iowa continues to opt out of the provision at this time.

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

Date

Kim Reynolds, Governor
State of Iowa

ATTACHMENT B

□ State Plan Certifications □

This has been designed to enable the Chief Executive Officer of a State to certify that the State will operate its Temporary Assistance for Needy Families (TANF) program in accordance with the statutory requirements in section 402 of the Social Security Act. *This attachment covers more than just 402(a).*

DRAFT

CERTIFICATIONS

The State will operate a program to provide Temporary Assistance for Needy Families (TANF):

- So that children may be cared for in their own homes or in the homes of relatives;
- To end the dependence of needy parents on government benefits by promoting job preparation, work, and marriage;
- To prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and
- To encourage the formation and maintenance of two-parent families.

Executive Officer of the State: Kim Reynolds, Governor, State of Iowa.

In administering and operating a program that provides Temporary Assistance for Needy Families with minor children under title IV-A of the Social Security Act, the State will:

1. Specify which State agency or agencies will administer and supervise the program under part A in all political subdivisions of the State.

The Iowa Department of Health and Human Services is the agency with primary responsibility for administering the program.

2. Assure that local governments and private sector organizations:
 - (a) Have been consulted regarding the plan and design of welfare services in the State so that services are provided in a manner appropriate to local populations; and
 - (b) Have had at least 45 days to submit comments on the plan and the design of such services.
3. Operate a Child Support Enforcement program under the State Plan approved under part D.
4. Operate a Foster Care and Adoption Assistance program under the State Plan approved under part E and take all such actions as are necessary to ensure that children receiving assistance under such part are eligible for medical assistance under the State Plan under Title XIX.
5. Provide each member of an Indian tribe, who is domiciled in the State and is not eligible for assistance under a tribal family assistance plan approved under Section 412, with equitable access to assistance under the State program funded under this part attributable to funds provided by the Federal Government.
6. Establish and enforce standards and procedures to ensure against program fraud and abuse, including standards and procedures concerning nepotism, conflicts of

interest among individuals responsible for the administration and supervision of the State program, kickbacks, and the use of political patronage.

7. Establish and enforce standards and procedures to
 - a. ensure applicants and potential applicants for assistance under State program funded under this part are notified of assistance made available by the State to victims of sexual harassment and survivors of domestic violence, sexual assault, or stalking;
 - b. Ensure that case workers and other agency personnel responsible for administering the State program funded under this part are trained in:
 - i. the nature and dynamics of sexual harassment and domestic violence, sexual assault, and stalking;
 - ii. State standards and procedures relating to the prevention of, and assistance for, individuals who are victims of sexual harassment or survivors of domestic violence, sexual assault, or stalking; and
 - iii. Methods of ascertaining and ensuring the confidentiality of personal information and documentation related to applicants for assistance and their children who have provided notice about their experiences of sexual harassment, domestic violence, sexual assault, or stalking; and
 - c. Ensure that, if a State has elected to establish and enforce standards and procedures regarding the screening for, and identification of, domestic violence, sexual assault, or stalking pursuant to paragraph (7)
 - i. The State program funded under this part provides information about the options under this part to current and potential beneficiaries; and
 - ii. Case workers and other agency personnel responsible for administering the State program funded under this part are provided with training regarding State standards and procedures pursuant to paragraph (7).
8. Make available to the public a summary of Iowa's TANF State Plan.
9. Claim maintenance of effort (MOE) expenditures only for families that meet the State's criteria for "eligible families" as defined in this TANF State Plan.

OPTIONAL CERTIFICATION OF STANDARDS AND PROCEDURES TO ENSURE SCREENING FOR AND IDENTIFYING DOMESTIC VIOLENCE

[X] The State has established and is enforcing standards and procedures to:

- (i) Screen and identify individuals receiving assistance under this part with a history of domestic violence while maintaining the confidentiality of such individuals;

(ii) Refer such individuals to counseling and supportive services; and

(iii) Waive, pursuant to a determination of good cause, other program requirements such as time limits (for as long as necessary) for individuals receiving assistance, residency requirements, child support cooperation requirements, and family cap provisions, in cases where compliance with such requirements would make it more difficult for individuals receiving assistance under this part to escape domestic violence or unfairly penalize such individuals who are or have been victimized by such violence, or individuals who are at risk of further domestic violence.

(Refer to (a)(7) of the TANF State Plan for details on implementation of these waivers in Iowa.)

Note: Iowa does not have a family cap provision. In addition, Iowa has never treated families moving into Iowa from another state differently than other families under its TANF programs, even prior to the United States Supreme Court decision: Rita L. Saenz, Director, California Department of Social Services, et al., Petitioners v. Brenda Roe and Anna Doe, etc., 119 S.Ct. 1518 (1999), which prohibits such treatment. Waivers are therefore not applicable to these provisions.

CERTIFIED BY THE CHIEF EXECUTIVE OFFICER OF THE STATE:

Date

Kim Reynolds, Governor
State of Iowa

ATTACHMENT C

□ Funding □

DRAFT

FUNDING

Section 403(a)(1)(A) provides that each eligible State shall be entitled to receive for fiscal year 2012, a grant in an amount equal to the State family assistance grant as defined in section 403(a)(1)(B). Since FY 2012, funding has been provided to states at the same amount through a series of continuing resolutions.

I. Payments to Agency Administering the TANF Program

Payments for the TANF program will be made to the organization managing the AFDC/JOBS programs as of August 22, 1996, unless the State indicates that the TANF administering agency is changed. If a change is made, describe the name, address and EIN number of the new organization.

II. State Payments for TANF Program

- Section 405 requires that grants be paid to States in quarterly installments, based on State estimates. The State's estimate for each quarter of the fiscal year by percentage is:

FY 2025-2026

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
25%	25%	25%	25%

FY 2026-2027

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
25%	25%	25%	25%

FY 2027-2028

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
25%	25%	25%	25%

FY 2028-2029

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
25%	25%	25%	25%

FY 2029-2030

1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter
25%	25%	25%	25%

ATTACHMENT D

□ Substantive Changes in State Plan □

Substantive Changes in State Plan

This TANF State Plan is submitted as a “new” Plan for purposes of renewing the state’s eligibility for federal funding under part A, Title IV, of the Social Security Act.

Substantive changes to the prior TANF State Plan are identified below. Minor editorial and organizational changes that have been made are not listed.

1. The Kinship Caregiver Payment Program (KCP) aims to keep children in the safe care of kin and fictive kin. The goal is to provide early financial support to kinship caregivers to meet the needs of the child, increase placement stability, and to provide equitable financial support to kinship caregivers to what licensed foster parents receive. Iowa uses TANF in the form of a Non-Recurrent Short-Term Benefit (NRST) for its Kinship Caregiver Payment Program. This program is designed to address a specific crisis or episode of need; is not intended to meet recurrent or ongoing needs; and will not extend beyond four months. TANF funds are only used to fund children that meet US Citizenship requirements; meet Iowa’s definition of “Child” as defined in Iowa Code &234.1(2); and meet all TANF NRST requirements.
2. The Family Housing Preservation Program allows parents and their children to remain together while the parent receives skills training, counseling, and life skill development in a supportive living environment. The focus of the family-based housing program expands beyond individual recovery and stabilization to include prevention of child maltreatment, family preservation and reunification, and family self-sufficiency. Parents and children reside in a safe, supervised living situation and receive wraparound services. The Family Housing Preservation Program utilizes TANF funds for families with an open child welfare case that have a housing need. Services provided include housing; individual, family, and group therapy; case management; parenting education; and diagnostic evaluations.

ATTACHMENT E

□ Regulatory State Plan Elements □

Regulatory State Plan Elements

Federal regulations provide for the following elements in the TANF State Plan. All items below have been incorporated into this State Plan.

Required Elements.

45 CFR 263.2(b) requires that the state define “eligible family” for programs claimed for maintenance of effort purposes.

45 CFR 265.9(b)(11) requires that the state describe how it will:

- (i) Implement policies and procedures as necessary to prevent access to assistance provided under the State plan through any electronic fund transaction in an automated teller machine or point-of-sale device located in a location prohibited by federal statute or regulation yet ensure that these policies and procedures do not prevent recipients from having adequate access to their cash assistance. See main body of this State Plan and in Attachment J.
- (ii) Ensure that recipients of assistance provided under the State plan have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available.

Optional Elements.

1. CFR 261.56(b)(2)(iii) requires that the state submits the criteria and definitions it has developed to determine when a custodial parent with a child under age six has demonstrated an inability to obtain needed child care and is subsequently exempt from work requirement sanctions. Iowa is submitting this information in this State TANF Plan.
2. As provided for by 45 CFR 265.9(d), the state is opting to include the following elements in this State Plan as an alternative to providing this information in its Annual Report:
 - 45 CFR 265.9(b) Each State must provide the following information on the TANF program: The numbering below corresponds to the specific numbered items from 265.9(b) that are addressed in this State Plan.
 - (1) The State's definition of each work activity;
 - (2) A description of the transitional services provided to families no longer receiving assistance due to employment;

- (3) A description of how a State will reduce the amount of assistance payable to a family when an individual refuses to engage in work without good cause pursuant to 45 CFR 261.14;
- (5) If the State has adopted the Family Violence Option and wants Federal recognition of its good cause domestic violence waivers under subpart B of part 260 of this chapter, a description of the strategies and procedures in place to ensure that victims of domestic violence receive appropriate alternative services;
- (6) A description of any nonrecurrent, short-term benefits provided, including:
 - (i) The eligibility criteria associated with such benefits, including any restrictions on the amount, duration, or frequency of payments;
 - (ii) Any policies that limit such payments to families that are eligible for TANF assistance or that have the effect of delaying or suspending a family's eligibility for assistance; and
 - (iii) Any procedures or activities developed under the TANF program to ensure that individuals diverted from assistance receive information about, referrals to, or access to other program benefits (such as Medicaid and food stamps) that might help them make the transition from welfare to work;
- (7) A description of the procedures the State has established and is maintaining to resolve displacement complaints, pursuant to section 407(f)(3) of the Act. This description must include the name of the State agency with the lead responsibility for administering this provision and explanations of how the State has notified the public about these procedures and how an individual can register a complaint;
- (8) A summary of State programs and activities directed at the third and fourth statutory purposes of TANF (as specified at Sec. 260.20(c) and (d) of this chapter).
- (10) A comprehensive description of the state's policies and practices to prevent assistance (defined at § 260.31(a) of this chapter) provided with federal TANF or state TANF MOE funds from being used in any electronic benefit transfer transaction in any: liquor store; casino, gambling casino or gaming establishment; or retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment. See general description in the main body of this State Plan and details in Attachment J.

(11) The state's TANF Plan must describe how the state will:

- (i) Implement policies and procedures as necessary to prevent access to assistance provided under the State program funded under this part through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12) of the Act, including a plan to ensure that recipients of the assistance have adequate access to their case assistance. See general description in the main body of this State Plan and details in Attachment J.
- 45 CFR 265.9(c) Each State must provide the following information on the State's program(s) for which the State claims MOE expenditures: The numbering below corresponds to the specific numbered items from 265.9(c) that are addressed in this State Plan.
 - (1) The name of each program and a description of the major activities provided to eligible families under each such program;
 - (2) Each program's statement of purpose;
 - (3) If applicable, a description of the work activities, in each separate State MOE program, in which eligible families participate;
 - (6) The eligibility criteria for the families served under each program/activity;
 - (7) A statement whether the program/activity had been previously authorized and allowable as of August 21, 1996, under section 403 of prior law;
 - (8) The FY 1995 State expenditures for each program/activity not authorized and allowable as of August 21, 1996, under section 403 of prior law (see Sec. 263.5(b) of this chapter); and
 - (9) A certification that those families for which the State is claiming MOE expenditures met the State's criteria for "eligible families".

ATTACHMENT F

□ Input From Local Governments and Private Sector Organizations □

Input From Local Governments and Private Sector Organizations

Pursuant to Section 402(a)(4) of the Social Security this State Plan has been posted for comment on the Iowa Department of Health and Human Services' web site at [Welcome | Health & Human Services](#) under Cash Assistance [Temporary Assistance for Needy Families \(TANF\) | Health & Human Services](#) as draft during the allowed 45 days to submit comments.

ATTACHMENT G

□ Procedures for Displacement Complaints □

Procedures for Displacement Complaints

Following is a description of the procedures in place for addressing displacement complaints as required by 45 Code of Federal Regulations (CFR) 265.9(b)(7).

441- 93.17(239B) Worker displacement grievance procedure.

The PROMISE JOBS program shall provide a grievance procedure to address and resolve public complaints regarding the displacement of regular workers with program participants in a work experience placement.

93.17(1) The procedure shall provide that:

- a.* Complaints must be filed in writing and received by the PROMISE JOBS service provider within one year of the alleged violation.
- b.* A representative of the PROMISE JOBS service provider must schedule a face-to-face interview with the complainant within 7 days of the date the complaint is filed, to provide the opportunity for informal resolution of the complaint.
- c.* Written notice of the location, date and time of the face-to-face interview must be provided.
- d.* An opportunity must be provided to present evidence at the face-to-face interview.
- e.* The representative of the PROMISE JOBS service provider shall issue a decision in writing within 14 days of the date a complaint is filed.
- f.* A written explanation must be provided to all involved parties of the right to file a written appeal, according to 441—Chapter 7, if the opportunity for informal resolution is declined, if a party receives an adverse decision from the PROMISE JOBS service provider, or if there is no decision within the 14-day period.
 - (1) To be considered, an appeal must be filed with the department within 10 days of the mailing date of the adverse decision or within 24 days of the date a complaint is filed
 - (2) An appeal hearing will not be granted until informal resolution procedures have been exhausted, unless a decision has not been issued within 24 days of the complaint filing date.

93.17(2) The department shall issue a final decision within 90 days of the date the complaint was filed with the PROMISE JOBS service provider.

- #### **93.17(3) Any dissatisfied party shall be informed of the right to appeal the decision of the department to the Secretary of Labor, Office of Administrative Law Judges, U.S. Department of Labor, Vanguard Building, Room 600, 111 20th Street N.W., Washington, DC 20036, within 20 days of the receipt of the department's final decision.**
- a.* For the purposes of this rule, the department's final decision shall be considered received the second day after the date that the written

decision was mailed, unless the intended recipient can demonstrate that it was not received on the second day after the mailing date. When the second day falls on a Sunday or legal holiday, the time shall be extended to the next mail delivery date.

- b.* The option to appeal to the Secretary of Labor does not preclude an individual from exercising any right to judicial review as provided in Iowa Code chapter 17A or as described in 441—Chapter 7.

- 93.17(4)** Upon notice of a complaint or grievance, the PROMISE JOBS office must provide the complaining party with a copy of the grievance procedures, notification of the right to file a formal complaint and instruction on how to file a complaint.
- 93.17(5)** Upon filing a complaint, and at each stage thereafter, each complainant must be notified in writing of the next step in the complaint procedure.
- 93.17(6)** The identity of any person who has furnished information relating to, or assisting in, an investigation of a possible violation must be kept confidential to the extent possible, consistent with due process and a fair determination of the issues.
- 93.17(7)** All employers who participate in the PROMISE JOBS program shall provide assurances that all regular employees are aware of this grievance procedure.

ATTACHMENT H

□ Adolescent Pregnancy Prevention □

Community Adolescent Pregnancy Prevention

TANF funded Community Adolescent Pregnancy Prevention (CAPP) grant programs are operating throughout the state of Iowa. In State Fiscal Year (SFY) 2021, 12,637 adolescents received 3-5 hours of comprehensive education using science-based, proven-effective, curricula. In addition, 8,200 youth and 1,200 parents received 1,250 partial curricula and/or topical presentations on a variety of subjects including substance abuse, healthy relationships, and social media. A total of 22,472 individuals in Iowa received some form of service under the CAPP program, including 329 pregnant or parenting teens. Services were provided in 44 Iowa counties. In State Fiscal Year (SFY) 2024, services were provided in 42 Iowa counties. Approximately 12,500 youth were reached across 680 sexual health education implementations and 3,600 sessions. Due to the timing of the implementation of SF 496, the requirement that grantees use pre-test and post-test evaluations was paused for one year to allow schools and grantees an opportunity to ensure that all programmatic and evaluation work was in compliance with state law. Therefore, the quantity of pre-test and post-test data available for analysis is significantly reduced from previous years. In SFY 2025, pre-test and post-test evaluations will resume for the majority of the counties served by CAPP.

CAPP grant programs operated in 42 Iowa counties in SFY2025. The CAPP program will serve 43 Iowa counties beginning in SFY 2026.

Program components include:

- Broad-based representation from community or regional representatives including, but not limited to, schools, churches, human services-related organizations, and businesses;
- Comprehensive programming that focuses on the prevention of initial pregnancies during the adolescent years; and
- Services to pregnant and parenting adolescents

The CAPP program evaluation has been conducted by the University of Northern Iowa's (UNI) Center for Social and Behavioral Research (CSBR) since February 2010, to evaluate the program's effectiveness. In addition, Iowa State University works with the CAPP program to provide statewide outreach and media campaign services.

Community Adolescent Pregnancy Prevention Program Goals:

Students who receive Community Adolescent Pregnancy Prevention programming will have increased knowledge of sexuality, improved communication skills (including skills to resist peer pressure and non-sexual risk factors) and enhanced behavioral predisposition to sexual abstinence.

Pregnant and parenting teens who receive Community Adolescent Pregnancy Prevention intervention programs will have adequate access to prenatal care, well-child visits and needed community resources (such as educational programs, employment training and career opportunities) to maximize their self-sufficiency. They also receive education to prevent subsequent pregnancies.

Goal 1: Seventy-five percent of adolescent youth receiving Community Adolescent Pregnancy Prevention Programs will have increased self-confidence to resist peer pressure for premature sexual behavior.

Goal 2: Seventy-five percent of middle school youth who receive Community Adolescent Pregnancy Prevention Programs will report enhanced behavioral disposition to sexual abstinence.

Goal 3: Seventy-five percent of high school youth who receive Community Adolescent Pregnancy Prevention programs will report increased communication skills to talk with partners, parents/guardians and others about responsible sexual expression.

Outcomes reported by the Iowa HHS

Adolescent births among females under age 20 declined by almost 11 in every 1,000 from 2001 to 2004. A slight increase occurred in 2005 – 2008 and again in 2016, with decreases occurring every year since 2009.

Live Births to Mothers under age 20

Year	Iowa Population Estimates 15-19 years old (Female ONLY) ¹	Total Number of Births to Mothers under 20 ²	Ratio per 1,000 total births ²	Rate of Births to Mothers under 20 (Per 1,000 females 15-19 years old)
2001	NA	3,608	95.9	NA
2002	NA	3,420	91.1	NA
2003	NA	3,420	87.2	NA
2004	NA	3,260	85	NA
2005	NA	3,358	85.5	NA
2006	108,514	3,524	86.8	32.48
2007	105,943	3,565	87.3	33.65
2008	109,377	3,629	90.2	33.18
2009	105,755	3,448	86.9	32.60
2010	107,798	3,059	79.4	28.38
2011	106,050	2,706	70.8	25.52
2012	104,540	2,532	65.5	24.22
2013	107,797	2,298	58.9	21.32
2014	107,952	2,069	52.1	19.17
2015	105,191	1,624	41.2	15.44
2016	105,728	1,793	45.1	16.96

Iowa's TANF State Plan: Attachments

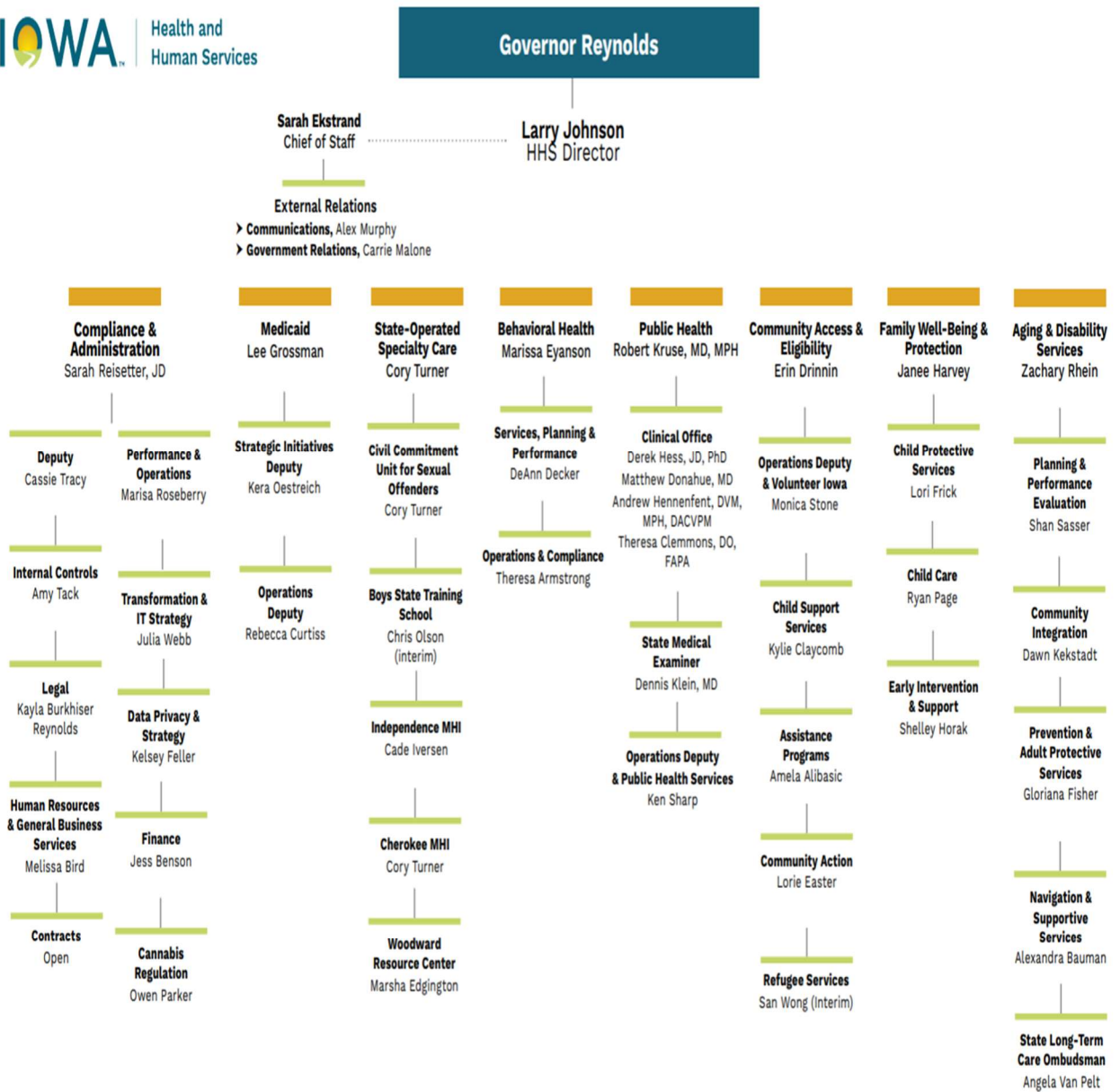
2017	104,822	1698	44.2	16.20
2018	104,769	1607	42.6	15.34
2019	106,063	1468	39.0	13.78
2020	103,549	1380	38.5	13.32
2021	107,854	1357	37.4	12.6
2022	107,611	1286	37.5	12.0
2023	109,975	1247	35.6	11.3

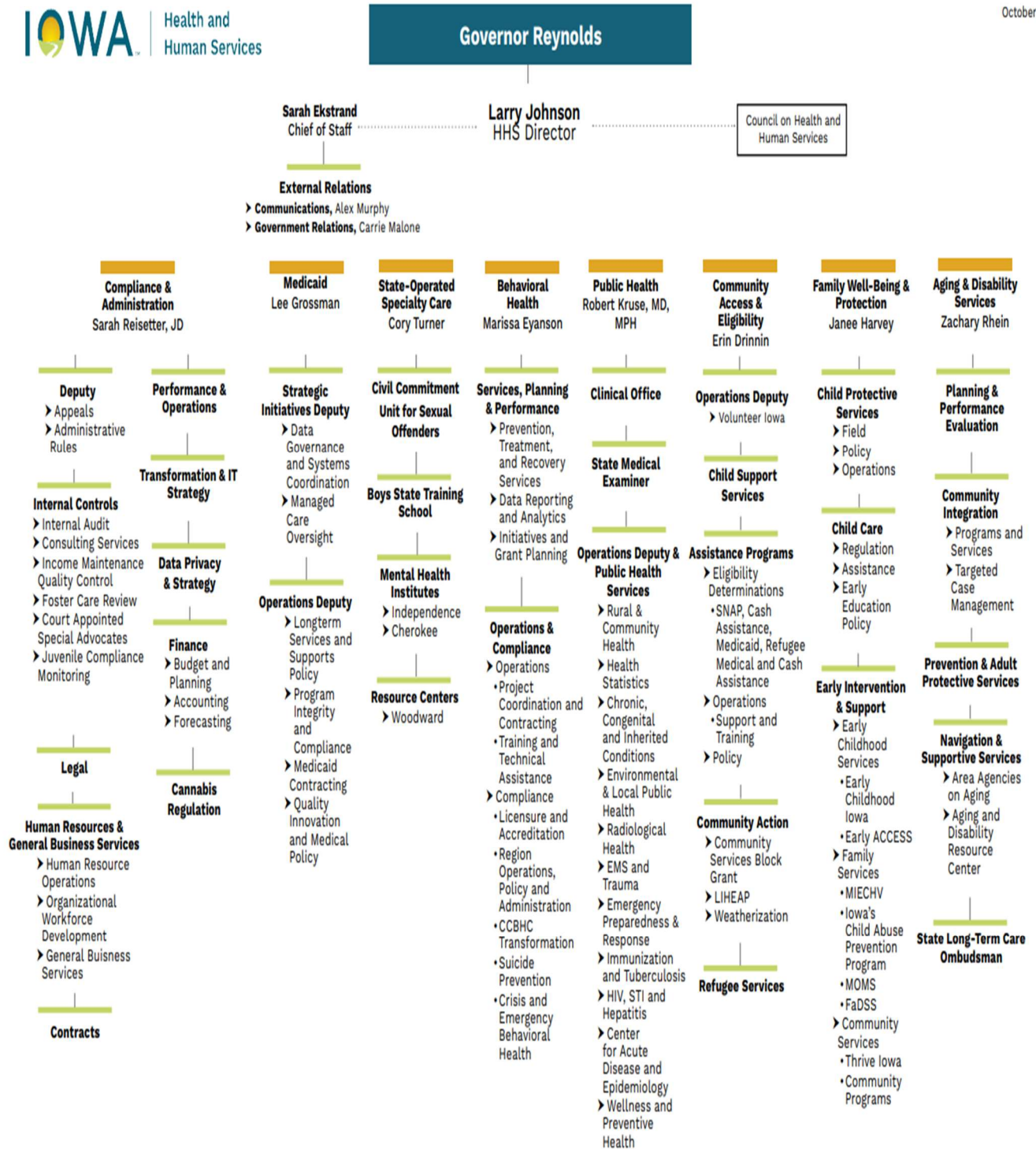
¹ Source: U.S. Census Bureau, Population Division
Annual Estimates of the Resident Population for Selected Age Groups by Sex for Iowa: April 1, 2020, to
July 1, 2023 (SC-EST2023-AGESEX-19)
Release Date: June 2024

² Iowa HHS Bureau of Health Statistics; 2023 birth file and are based on births to Iowa resident

ATTACHMENT I

□ Table of Organizations□





ATTACHMENT J

□ Electronic Benefit Transaction (EBT) Restrictions □

ELECTRONIC BENEFIT TRANSACTION (EBT) RESTRICTIONS

Section 408(a)(12) of the Act requires states to maintain policies and practices as necessary to prevent assistance provided under the State program funded under this part (IV-A) from being used in any electronic benefit transfer transaction in: (i) any liquor store; (ii) any casino, gambling casino, or gaming establishment; or (iii) any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

Section 408(a)(12) also provides definitions for the following terms: (i) any liquor store; (ii) any casino, gambling casino, or gaming establishment; and (iii) electronic benefit transfer transaction.

Federal regulations at 45 CFR 265.9(b)(10) require that states provide the information below on an annual basis. However, 265.9(d) provides:

(d) If the State has submitted the information required in paragraphs (b) and (c) of this section in the State Plan, it may meet the annual reporting requirements by reference in lieu of re-submission. If the information in the annual report has not changed since the previous annual report, the State may reference this information in lieu of re-submission.

Federal regulations at 45 CFR 265.9(b)(11) require that:

(11) The state's TANF Plan must describe how the state will:

(i) Implement policies and procedures as necessary to prevent access to assistance provided under the State program funded under this part through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12) of the Act, including a plan to ensure that recipients of the assistance have adequate access to their cash assistance; and

(ii) Ensure that recipients of assistance provided under the State program funded under this part have access to using or withdrawing assistance with minimal fees or charges, including an opportunity to access assistance with no fee or charges, and are provided information on applicable fees and surcharges that apply to electronic fund transactions involving the assistance, and that such information is made publicly available.

Iowa opts to comply with the requirements of 45 CFR 265.9(b)(10) and (b)(11)(i) through this Attachment J. The requirements of 265.9(b)(11)(ii) are addressed within the main body of the State Plan.

45 CFR 265.9 What information must the state file annually?

(b) Each State must provide the following information on the TANF program:

(10) A comprehensive description of the state's policies and practices to prevent assistance (defined at § 260.31(a) of this chapter) provided with federal TANF or state TANF MOE funds from being used in any electronic benefit transfer transaction in any: liquor store; casino, gambling casino or gaming establishment; or retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment.

Reports must address:

(i) Procedures for preventing the use of TANF assistance via electronic benefit transfer transactions in any liquor store; any casino, gambling casino, or gaming establishment; and any retail establishment which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment;

Section 4004 of the Middle Class Tax Relief and Job Creation Act of 2012 (P.L. 112-96) required states to implement and maintain policies and procedures to prevent electronic benefit transfer (EBT) transactions of TANF benefits at specified types of businesses, and to submit a report describing these policies and procedures to the Secretary of Health and Human Services, no later than February 22, 2014. Pending federal regulations further clarifying state requirements, the Office of Family Assistance (OFA) for the Administration for Children and Families (ACF) advised states to “formulate policies and implement requirements in section 4004 of P.L. 112-96 based on its reasonable interpretation of these requirements.” (TANF Q&A March 2013).

Iowa's reasonable interpretation of section 4004 emphasizes recipient responsibility and accountability. This interpretation is expressed in changes to state law enacted during the state's 2013 legislative session. See Exhibit 1 for actual language. Briefly, this legislation makes compliance with the prohibition a condition of continued eligibility for TANF cash assistance and violation of this condition a fraudulent practice. The legislation incorporates federal definitions whether in law or regulation for the prohibited locations and authorizes the Iowa Department of Health and Human Services (Iowa HHS), the state TANF agency, to implement additional measures if required by federal regulations, and to adopt administrative rules as necessary.

Iowa HHS adopted administrative rules to implement the statutory changes. These rules provide that if Iowa HHS receives a detailed complaint or otherwise suspects that TANF benefits have been accessed by EBT at a prohibited location, a referral will be made to the state's Department of Investigations, Appeals and Licensing (DIAL) to investigate. If the DIAL determines that benefits were accessed at a prohibited location, the household will be canceled and ineligible for a period of three months for a 1st violation and six

months for each subsequent violation and be required to repay any amount accessed at a prohibited location. See Exhibit 2 for actual language.

Iowa's policies prohibiting EBT of TANF benefits at prohibited locations became effective February 1, 2014.

Steps taken prior to this effective date included:

1. Meeting with staff from the Department of Inspections, Appeals and Licensing to discuss the policy change and DIAL's role. As DIAL is contracted by Iowa HHS to conduct investigations related to the state's TANF cash assistance program, including eligibility, this is considered to be covered by the terms of the contract.

DIAL investigations can include interviews with TANF recipients and witnesses as well as the subpoena of video or other records that may be available from the business in question, or from the vendor providing electronic access card services for the state's TANF program.

2. Developing language advising of the new eligibility requirement and penalties and adding it to all relevant forms. With only slight variations, if any, this language states:

Effective February 1, 2014: You cannot access your cash benefits with your electronic access card (EAC) at a:

- Liquor store or any place that mainly sells liquor,
- Casino or other gambling or gaming establishment, or
- Business which provides adult-oriented entertainment in which performers disrobe or perform in an unclothed state (such as a strip club).

If the department determines that you have accessed your cash benefits with your EAC at one of the above places you:

- Will have committed fraud,
- Have to repay the amount of cash accessed at the location, and
- Your family will not get cash benefits for three months with the first misuse and six months for each additional misuse.

This language was added to the following forms provided to TANF applicants and recipients, prior to the February 1, 2014, effective date.

- Application – paper and on-line versions
- Review/recertification form
- Brochure describing the TANF cash assistance program
- Rights and Responsibilities form
- Sheet describing the electronic access card used to issue TANF cash benefits
- Notices of Decisions for approval, changes and reinstatement

3. Similar language was added to the card carrier document issued with the TANF electronic access card by the state's vendor that provides electronic funds transfer services for the TANF cash assistance program.
4. Letters were mailed at the beginning of January 2014 to all currently active TANF cases, as well as those closed within 30 days, advising of the change. See Exhibit 3.
5. A press release about the change was prepared and posted to the Iowa HHS website in January 2014. See Exhibit 4.
6. A flyer describing the change was prepared and provided to local Iowa HHS offices for posting. See Exhibit 5.
7. A similar flyer was provided to the state's Racing and Gaming Commission and Alcoholic Beverages Division with a request to provide the flyer to entities subject to their authority. See Exhibit 6.
8. Changes were made to Iowa HHS Employees' Manuals (See Exhibit 7) to correspond with the policy change, including the following:
 - During the initial interview, reviews and at other times deemed appropriate, workers should explain that the electronic access card cannot be used to access FIP benefits at certain locations.
 - New eligibility criteria related to electronic access card usage.
 - Procedures for responding to complaints of card usage at prohibited locations and making referrals to the Department of Inspection and Appeals to investigate.
 - Including use of the electronic access card at prohibited locations under the definition of client error for purposes of recoupment.
 - Making appropriate entries to the TANF eligibility system to impose a 1st and subsequent sanction for using the electronic access card at a prohibited location.
9. The following changes were made to the TANF eligibility and related systems (see Exhibit 7):
 - New reason codes for cancellation, denial and sanctions associated with violating the prohibition.
 - New notice language corresponding with cancellations and denials due to violating the prohibition.
 - Programming to calculate the end of an ineligibility period based on whether it is a 1st or subsequent violation.
 - New "tag" language added to Notices of Decisions as previously described.
 - New cause code for the Overpayment Recovery system related to overpayments caused by violating the prohibition.
10. Training material was developed and conducted, both a preliminary "heads-up" in December 2013 (see Exhibits 8a and 8b), and more detailed training held in January 2014 (see Exhibits 9a and 9b).

11. Information describing the policies and practices were added to the State TANF Plan when it was renewed in December 2013 effective October 2013 (See Exhibit 10).
12. After confirming with the Office of Refugee Resettlement that there was no federal prohibition, the state elected to apply the same policies and procedures with respect to Refugee Cash Assistance (RCA).

Final federal regulations issued on January 15, 2016, provided additional clarification concerning states' responsibilities in complying with section 4004 of P.L. 112-96. The regulations specified the four components that must be addressed in a state's policies and procedures, as well as provided guidance and suggestions for different ways that states can comply with each component. While states are required to include all four components in their policies and procedures, the final regulations also stress that states have some flexibility in how they do so.

The final federal regulations described nine options or steps that states could use to comply with the first required component. These options focus on who is responsible for preventing EBT transactions of TANF benefits at the types of businesses listed. Options fall into three categories: (1) requirements for "third-party processors" – entities that actually process EBT transactions; (2) retailers – the actual businesses where transactions are prohibited; and (3) the families receiving TANF benefits. The regulations do not require that states utilize any particular option(s) listed, or that states use options under more than one category. The preamble to the regulations does clarify that notification approaches to TANF applicants/recipients alone are not sufficient, except for EBT transactions from private bank accounts, on tribal lands and in other states.

In evaluating each of the nine options identified in the final regulations, the state determined that several options were not separate but rather were an integral part to one or more other options. Other options were not readily available to the state and /or would not be cost effective.

Iowa's policies and procedures continue to focus on applicants and recipients. In addition to the extensive notification practices described above, Iowa also holds applicants and recipients responsible for any failure to comply. As described above, under FIP administrative rules already in effect at the time the final federal regulations were published, recipients found to have accessed their TANF benefits at a prohibited location by way of EBT have committed fraud, must repay any benefits accessed at such location, and are ineligible for FIP for a period of three months for a first-time violation, and for a period of six months for each subsequent violation.

The final regulations identify "Requiring cardholders to agree in writing not to use TANF assistance at prohibited locations as a condition of receipt" as a separate means or option than notification. Effective January 1, 2017, FIP administrative rules were amended to require that "as a condition of eligibility, applicants and recipients must agree in writing to not use an electronic access card at prohibited locations." See Exhibit 11 for

details. In addition, the following language was added to the section of the FIP application form describing EBT prohibitions:

By having signed this application, you agree that no member of your household will use the EAC or your personal debit card to access FIP/RCA funds at prohibited locations.

Comparable language was also added to the FIP review and recertification eligibility form effective January 1, 2017. Households failing to sign an application or recertification form containing this language are ineligible for FIP.

Iowa has made additional changes to its policies and procedures prohibiting EBT transactions based on guidance and instructions in the final regulations. These changes are also effective January 1, 2017:

- Administrative rules were amended by revising definitions of prohibited locations. These definitions are used to identify such locations by clarifying when EBT restrictions apply. See next report component for details. See Exhibit 11.
- Administrative rules were amended to include fees associated with accessing benefits at prohibited locations in the amount required to be paid back. See Exhibit 11. This change was also made to other forms including language advising that TANF benefits accessed at prohibited locations must be repaid to the state. See Exhibits 12A-D.
- Language was added to forms and elsewhere as appropriate or necessary clarifying that the EBT restrictions apply to TANF benefits accessed using a personal debit card as well as the state-issued electronic access card, and to transactions involving TANF benefits conducted on tribal lands and in other states. See Exhibits 12A-D. Revised versions of Exhibit 12B, Comm.108, the FIP pamphlet provided to applicants, and Exhibit 12C, Rights and Responsibilities, also provided to applicants for FIP and other Iowa HHS services, will be used once existing supplies are exhausted. The changes to these forms are not considered to be significant as they are not used as the basis for taking any negative action against applicants or recipients. The same or similar language is found in other forms issued to applicants and recipients.
- Policies and procedures in Employees' Manuals were also updated. See Exhibit 13A.
- Corresponding system changes to generate updated language for Notices of Decision. See Exhibit 13B.

(ii) How the state identifies the locations specified in the statute;

1. As already described, Iowa statute incorporates the definitions for prohibited types of businesses found in section 4004 of P.L. 112-96, and in federal regulations implementing this section. The final federal regulations issued on January 15, 2016, provided minimal further clarification of the definitions in P.L. 112-96. The state

subsequently adopted administrative rules effective January 1, 2017, to further refine these definitions as follows.

Changes/additions are in italics (and not bold).

Casino, gambling casino, or gaming establishment means an establishment with a primary purpose of accommodating the wagering of money. It does not include:

- (i) A grocery store which sells groceries including staple foods and which also offers, or is located within the same building or complex as, casino, gambling, or gaming activities; or
- (ii) Any other establishment that offers casino, gambling, or gaming activities incidental to the principal purpose of the business.

This definition was refined by adding the following clarification to address buildings and complexes that include multiple business activities, not limited to those involving gambling. Complexes that include areas designated for gambling may also include hotels, restaurants, theaters, and other separate and distinct types of businesses. This clarification allows for making a clear, consistent and uniform distinction for when the prohibition applies with respect to such complexes.

Automated teller machines (ATM) and point-of-sale (POS) terminals located within those areas of the establishment where individuals are banned due to age restrictions associated with gambling, established by state or federal law or by any other regulatory entity having the authority to do so, are considered to be in a casino, gambling casino, or gaming establishment.

EBT transactions outside these designated areas are not prohibited on this basis.

Liquor store means any retail establishment which sells exclusively or primarily intoxicating liquor *or other alcoholic beverages*. Such term does not include a grocery store which sells both intoxicating liquor and groceries including staple foods (within the meaning of Section 3(r) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(r))).

This definition was refined by adding reference to “other alcoholic beverages” based on a clarification in the final federal regulations issued January 15, 2016. This definition was further refined by adding the following clarification to better distinguish when an establishment that does not sell liquor/alcohol exclusively, is subject to the prohibition. This clarification allows for making a clear, consistent and uniform distinction for when the prohibition applies.

Unless exempt as described in this definition, a retail establishment meets the definition of a liquor store when it has a North American Industry Classification System (NAICS) number that categorizes it as either a beer, wine and liquor store, or as a drinking place (Alcoholic Beverages). A retail establishment that does not have either type of NAICS code is considered to exclusively or primarily sell intoxicating

liquor when 95% or more of its gross sales are from intoxicating liquor and it is not a United States Department of Agriculture certified SNAP retailer.

If necessary, the Department of Inspections, Appeals, and Licensing (DIAL) can subpoena business records to make this determination.

Retail establishment which provides adult oriented entertainment in which performers disrobe or perform in an unclothed state for entertainment *includes live entertainment at locations such as, but not limited to, strip clubs and gentleman's clubs. It also includes stores and theaters that exclusively or primarily sell or feature adult-oriented videos and movies such as, but not limited to, adult bookstores and adult movie theaters. A retail establishment meets this definition when the department has confirmed the primary nature of the business through the description on the business' website, phone contact with the establishment, a site visit, or other means such as common local knowledge.*

Language was added to correspond with clarification in the final regulations issued on January 15, 2016, and to identify ways to confirm that a business meets the definition.

2. Locations are identified as part of the investigative process following the receipt of a detailed complaint or other suspicion by the department leading to a referral to the Department of Inspections, Appeals, and Licensing (DIAL).

Using the definitions above in conjunction with other resources that can specify or indicate the nature of a business, such as: business listings in the yellow pages or on-line; web sites, including the sites of individual businesses as well as the North American Industry Classification System (NAICS); lists from the Iowa Racing and Gaming Commission and the Iowa Alcoholic Beverages Division; as well as personal local knowledge and other sources of information that may be readily available, the DIA may be able to make a definitive determination whether a location named in a complaint does or does not meet the definition of a prohibited location.

In some instances, the DIAL may contact the business directly or conduct an on-site visit to determine if the location is prohibited. If necessary, the DIAL may subpoena business records or other documents that can be used to determine if the business is a prohibited location.

(iii) Procedures for ongoing monitoring to ensure policies are being carried out as intended; and

Most of the notification procedures advising applicants and recipients of the prohibition and penalties for failure to comply are automated, with language included on forms provided at the time of application, approval, or review. The electronic case file contains all forms completed by the applicant or participant and all notices of decisions (NODs) issued to the household. The on-line narrative function of the electronic case file is used to document all actions taken on the case.

Random supervisory case reading also helps ensure that: (1) the most current version of forms are being used showing that applicants and recipients have been advised of the prohibition; and (2) that reports of use of the FIP electronic access card at prohibited locations have been acted upon according to policy and procedure, including making referrals to the DIAL, and initiating recoupment of any benefits (and associated fees) accessed inappropriately.

Procedures for responding to complaints of card usage at prohibited locations and making referrals to the DIAL to investigate are found in Employees' Manuals, title 4, chapters A, B, C and H. See Exhibits 7 and 13A.

The FIP program manager can request ad hoc reports based on reason codes identifying cases where FIP has been canceled for accessing benefits at prohibited locations.

The DIAL informs the FIP program manager of the status of investigations conducted and conclusions reached. The program manager maintains a spreadsheet on all investigations and the outcomes of those investigations. Iowa HHS retains the authority to make the final determination whether a violation has occurred, and a penalty imposed.

All actions associated with a report of a violation, including notices to the family, are documented in the electronic case file.

(iv) How the state responds to findings of non-compliance or program ineffectiveness.

As specified in administrative rules, a first instance of confirmed non-compliance results in a 3-month period of ineligibility and a requirement to repay any amount accessed at the prohibited location along with any associated fees that may apply. Subsequent non-compliance results in a 6-month period of ineligibility and recoupment of any amount accessed and associated fees.

(11) The state's TANF Plan must describe how the state will:

(i) Implement policies and procedures as necessary to prevent access to assistance provided under the State program funded under this part through any electronic fund transaction in an automated teller machine or point-of-sale device located in a place described in section 408(a)(12) of the Act, including a plan to ensure that recipients of the assistance have adequate access to their cash assistance;

Policies and procedures to prevent access through electronic fund transaction at prohibited locations are described in detail in the previous section.

To ensure that these policies and procedures do not prevent recipients from having adequate access to their cash assistance, the state has, to the extent not expressly precluded by federal law or regulation, or by the federal Office of Family Assistance

(OFA), further defined the places described in section 408(a)(12) so as to minimize the number of locations where electronic benefit transactions are prohibited, and to maximize the number of locations where the prohibition does not apply.

Given the total number of financial institutions, automated teller machines (ATMs) and point-of-sale (POS) devices in the state that accept the state's EAC, and that the state's EAC allows for receiving cash back at point-of-sale devices in conjunction with making a purchase when such service is available, ATMs and POS devices at prohibited locations (as defined by the state), represent a very small percent. The sheer volume of alternative locations where electronic benefit transactions are not prohibited ensures that FIP families continue to have adequate access to their benefits.