

MANAGEMENT DEPARTMENT[541]

Regulatory Analysis

Notice of Intended Action to be published: Iowa Administrative Code 541—Chapter 11
“Grants Enterprise Management System”

Iowa Code section(s) or chapter(s) authorizing rulemaking: 8.6(8)

State or federal law(s) implemented by the rulemaking: Iowa Code sections 8.9 and 8.10

Public Hearing

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

October 18, 2023
9 a.m.

State Capitol, Room G14
1007 East Grand Avenue
Des Moines, Iowa

Public Comment

Any interested person may submit written comments concerning this Regulatory Analysis. Written comments in response to this Regulatory Analysis must be received by the Department of Management no later than 4:30 p.m. on the date of the public hearing. Comments should be directed to:

Gloria Van Rees
Iowa Department of Management
State Capitol, Room G13
1007 East Grand Avenue
Des Moines, Iowa 50319
Email: gloria.vanrees@iowa.gov

Purpose and Summary

The Grants Enterprise Management System (GEMS) is for Iowans and Iowa businesses to apply for grants offered by or managed by state government entities. The proposed rules provide for the ability to implement GEMS for use by state agencies to provide grants for which Iowans, including businesses and individual Iowans, can apply and seek grant funds. As of November 2022, there were 17 participating agencies, 26,498 users, and 4,249 participating organizations.

Analysis of Impact

1. Persons affected by the proposed rulemaking:
 - Classes of persons that will bear the costs of the proposed rulemaking:
There is no cost to apply to or access GEMS for the public or agencies.
 - Classes of persons that will benefit from the proposed rulemaking:
State agencies that use the platform and the public, including small businesses that use the system to apply for state grants, will benefit from the proposed rulemaking.

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:
GEMS makes it easier for agencies to provide grants and the public to apply for state grants.
 - Qualitative description of impact:
GEMS allows for better grant applications for individuals and businesses to apply for grants.

3. Costs to the State:
 - Implementation and enforcement costs borne by the agency or any other agency:

The annual cost to the state for GEMS for FY 2023 was \$96,905, due a one-time cost for a systems upgrade. It is anticipated at the end of FY 2024 the carry forward will be under \$20,000. Beginning in FY 2025, it will go back to a \$70,000 annual request.

- Anticipated effect on state revenues:

The FY 2023 appropriation request was \$70,000. The cost in FY 2021 was \$50,863; in FY 2022, \$51,984; and in FY 2023, \$96,905. FY 2023 was higher due to a scheduled system upgrade to the software system.

4. Comparison of the costs and benefits of the proposed rulemaking to the costs and benefits of inaction:
The cost to run GEMS is minimal in comparison to the benefit the grants have on state projects.

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

Relative to the cost of other state grant management systems, the current system is very cost effective.

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:

No alternative methods were seriously considered.

Small Business Impact

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?

The impact on small businesses for GEMS is a benefit of the ability to receive grant funds from state entities.

Text of Proposed Rulemaking

ITEM 1. Rescind 541—Chapter 11 and adopt the following **new** chapter in lieu thereof:

CHAPTER 11 GRANTS ENTERPRISE MANAGEMENT SYSTEM

541—11.1(8) Purpose. These rules are designed to establish a grants enterprise management system (GEMS) under Iowa Code sections 8.9 and 8.10. The primary goals of GEMS include:

1. Securing additional nonstate funding;
2. Fostering cooperation and coordination between state agencies;
3. Discouraging duplication of competitive grant application efforts;
4. Providing a mechanism for the timely exchange of information among state agencies on proposals potentially affecting the agencies; and
5. Providing policy makers, legislators and the citizens of Iowa with information on grant funds received and state agencies' competitive grant applications.

541—11.2(8) Definitions. As used in this chapter:

“*Applicant agency*” means the agency intending to apply for, or applying for, a competitive grant.

“*Competitive grant application*” means a grant application that is in competition with other applications for limited funds.

“*Federal Executive Order 12372*” means the federal executive order that provides for the establishment of a process for the coordination and review of proposed federal financial assistance. In the Order, states are encouraged to develop their own processes, and federal agencies, to the extent permitted by law, utilize the state process.

“*GEMS coordinator*” means the person appointed by the director of the department of management to coordinate GEMS.

“*I/3 grant tracking module*” means Integrated Information for Iowa (I/3) and the portion of the I/3 cost accounting module designed to collect data on all nonstate funds received by state government agencies.

“*Single point of contact*” means the GEMS coordinator.

“*State agency*” means any department or agency of state government except the board of regents.

541—11.3(8) GEMS coordinator. The GEMS facilitator will coordinate all aspects of GEMS under Iowa Code sections 8.9 and 8.10. The GEMS coordinator will:

1. Identify and execute strategies to secure nonstate funds;
2. Ensure that all agencies utilize the Iowa grants database to track all competitive grant applications;
3. Ensure that all agencies utilize the I/3 grant tracking module for all grants received;
4. Operate as the state’s single point of contact, pursuant to Federal Executive Order 12372;
5. Establish a grants network, representing all state agencies, to operate in an advisory capacity;
6. Assign a state application identifier (SAI) number at each stage of the application process: notification of intent, application submitted, and final status;
7. Review competitive grant applications of special significance, at the coordinator’s discretion;
8. Serve as liaison with the state single point of contact in contiguous states;
9. In cooperation with other state agencies, monitor and refine the GEMS competitive grants review procedures;
10. Maintain a list of state agency grants coordinators;
11. Ensure, to the greatest degree practicable, that all GEMS competitive grants reviews are conducted in accordance with these rules;
12. Provide training and policy guidance; and
13. Provide status and results reports to appropriate contacts on an as-needed basis.

541—11.4(8) Grants network. The grants network includes representation from all state agencies. Agency representatives will serve as agency grants coordinators. All agency grants coordinators will work with the GEMS coordinator to implement Iowa Code section 8.10 and do the following:

1. Communicate relevant information to the GEMS coordinator;
2. Utilize the Iowa grants database to track all competitive grant applications;
3. Utilize the I/3 grant tracking module for all grants received;
4. Inform the Iowa office for state-federal relations of initiatives for which the agency is seeking federal funds; and
5. Participate in issue-specific, federal legislation work groups.

541—11.5(8) GEMS competitive grants review system. The purpose of the GEMS competitive grants review system is to allow state government coordination and review of all competitive grant applications in order to avoid duplication and conflicts.

11.5(1) Agency competitive grants review coordinator. Agency grants coordinators will:

a. Serve as the agency’s competitive grants review coordinator and as liaison between the agency and the GEMS coordinator for the GEMS competitive grants review process.

b. Assist in the evaluation of the GEMS competitive grants review process.

11.5(2) GEMS competitive grants review process. The following is a generalized summary of the GEMS competitive grants review process that will be followed by state agencies with respect to review of applications for competitive grants.

a. Step 1—intent to apply.

(1) The applicant agency will complete the intent to apply section of the Iowa grants database when the applicant agency identifies a competitive grant opportunity.

(2) Upon submission of the intent to apply, a notification will be sent to all state agencies.

(3) Any state agency, or the GEMS coordinator, may request a GEMS competitive grants review meeting to explore the project in greater detail, identify opportunities for collaboration and resolve possible conflicts.

(4) The applicant agency and the GEMS office will receive the agency request for a GEMS competitive grants review meeting within two working days of submission of the intent to apply notification.

(5) The GEMS review meeting will be held within 12 working days of submission of the intent to apply notification. The applicant agency will work with the GEMS office to schedule the meeting.

b. Step 2—application submitted.

(1) Upon completion of the GEMS competitive grants review process, but prior to submission of the grant application, the applicant agency will enter the grant application information in the application section of the Iowa grants database.

(2) When all necessary fields are completed, the Iowa grants database will automatically generate written confirmation of completion of the GEMS competitive grants review to the applicant agency.

(3) The applicant agency will keep a file copy of the confirmation. The applicant agency will include the written confirmation with all federal competitive grant applications pursuant to Federal Executive Order 12372.

c. Step 3—status.

(1) The applicant agency will enter the grant's status in the Iowa competitive grants database upon withdrawal of the application or notification of the receipt or denial of the grant.

(2) The GEMS office and the legislative services agency will be notified of the final grant status.

These rules are intended to implement Iowa Code sections 8.9 and 8.10.