

HUMAN SERVICES DEPARTMENT[441]

Amended Notice of Intended Action

**Proposing rulemaking related to child care services
and providing an opportunity for public comment**

The Department of Health and Human Services (HHS) hereby proposes to amend Chapter 170, “Child Care Services,” Iowa Administrative Code.

Legal Authority for Rulemaking

This rulemaking is proposed under the authority provided in Iowa Code section 234.6.

State or Federal Law Implemented

This rulemaking implements, in whole or in part, 2023 Iowa Acts, House File 707; and 2024 Iowa Acts, House File 2658.

Purpose and Summary

This proposed rulemaking implements the Child Care Assistance (CCA) program. The proposed amendments to Chapter 170 update the family income limit to 160 percent of the federal poverty level (FPL), revise the provider reimbursement rates, and update the minimum hours of participation from 28 to 32 for families that do not include a special needs child. Also, these amendments revise the CCA family fee chart to update annual FPL changes.

A Regulatory Analysis, including the proposed amendments, was published on December 27, 2023. A public hearing was held on January 18, 2024. The HHS received no public comments. The Administrative Rules Coordinator provided preclearance for publication of the original Notice of Intended Action on January 18, 2024.

Reason for Amendment of Notice of Intended Action

Notice of Intended Action for this rulemaking was published in the Iowa Administrative Bulletin on February 21, 2024, as **ARC 7651C**. No public comments were received.

Changes from the Notice have been made to update the provider rate tables to be in compliance with 2024 Iowa Acts, House File 2658.

Fiscal Impact

This rulemaking has no fiscal impact to the State of Iowa beyond that of the underlying legislation.

Jobs Impact

After analysis and review of this rulemaking, no impact on jobs has been found.

Waivers

Any person who believes that the application of the discretionary provisions of this rulemaking would result in hardship or injustice to that person may petition HHS for a waiver of the discretionary provisions, if any, pursuant to 441—Chapter 6.

Public Comment

Any interested person may submit written or oral comments concerning this proposed rulemaking. Written or oral comments in response to this rulemaking must be received by HHS no later than 4:30 p.m. on September 5, 2024. Comments should be directed to:

Joe Campos
Lucas State Office Building
321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.304.0963
Email: compliance@idph.iowa.gov

Public Hearing

Public hearings at which persons may present their views orally or in writing will be held as follows:

September 3, 2024 12 noon to 12:30 p.m.	Microsoft Teams Meeting ID: 268 032 249 828 Passcode: xGDP9t
September 5, 2024 2 to 2:30 p.m.	Microsoft Teams Meeting ID: 220 612 072 487 Passcode: vTNDrz

Persons who wish to make oral comments at a public hearing may be asked to state their names for the record and to confine their remarks to the subject of this proposed rulemaking.

Any persons who intend to attend a public hearing and have special requirements, such as those related to hearing or mobility impairments, should contact HHS and advise of specific needs.

Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rulemaking by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rulemaking at its [regular monthly meeting](#) or at a special meeting. The Committee's meetings are open to the public, and interested persons may be heard as provided in Iowa Code section 17A.8(6).

The following rulemaking action is proposed:

ITEM 1. Amend subparagraph **170.2(1)“a”(1)** as follows:

(1) For initial eligibility, an applicant family's nonexempt gross monthly income as established in paragraph 170.2(1)“c” cannot exceed the amounts in this subparagraph.

1. ~~145~~ 160 percent of the federal poverty level applicable to the family size for children needing basic care; or
2. and 3. No change.

ITEM 2. Amend subparagraph **170.2(2)“b”(2)** as follows:

(2) The parent is employed ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) or an average of ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) during the month. Child care services may be provided for the hours of employment and for actual travel time between the child care location and the place of employment. If the parent works a shift consisting of at least six hours of employment between the hours of 8 p.m. and 6 a.m. and needs to sleep during daytime hours, child care services may also be provided to allow the parent to sleep during daytime hours.

ITEM 3. Amend subparagraph **170.2(2)“b”(8)** as follows:

(8) The parent is employed and participating in academic or vocational training for ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) or an average of ~~28~~ 32 or more hours per week (28 hours per week if the family includes a special needs child) in the aggregate, during the month. Child care services may be provided for the hours of employment, the hours of participation in academic or vocational training and for actual travel time between the child care location and the place of employment or training. All of the requirements relating to academic or vocational

training found at subparagraph 170.2(2) “b”(1), except for the requirement to be enrolled full-time, apply to the part-time training in this subparagraph.

ITEM 4. Amend paragraph 170.2(3)“a” as follows:

a. *Priority groups.* As funds are determined available, families shall be served on a statewide basis from a service-area-wide waiting list as specified in subrule 170.3(4) based on the following schedule in descending order of prioritization.

(1) Families with an income at or below 100 percent of the federal poverty level whose members, for at least ~~28~~ 32 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program, and parents with a family income at or below 100 percent of the federal poverty level who are under the age of 21 and are participating in an educational program leading to a high school diploma or equivalent.

(2) No change.

(3) Families with an income of more than 100 percent but not more than ~~45~~ 160 percent of the federal poverty guidelines whose members, for at least ~~28~~ 32 hours per week in the aggregate, are employed or are participating at a satisfactory level in an approved training program or educational program.

(4) No change.

ITEM 5. Rescind paragraph 170.4(2)“a” and adopt the following new paragraph in lieu thereof:

a. *Sliding fee schedule.*

(1) For families whose eligibility is established in subparagraphs 170.2(1)“a”(1) and 170.2(1)“a”(2), the child care assistance (CCA) and CCA plus programs fee schedule, dated July 2024, found on the department’s website is effective for eligibility determinations made on or after July 1, 2024.

(2) For families whose eligibility is established in subparagraph 170.2(1)“a”(3), the CCA exit program fee schedule, dated July 2024, found on the department’s website is effective for eligibility determinations made on or after July 1, 2024.

ITEM 6. Amend paragraph 170.4(7)“a” as follows:

a. *Rate of payment.* The rate of payment for child care services, except for in-home care, which shall be paid in accordance with paragraph 170.4(7)“d,” shall be the actual rate charged by the provider for a private individual, not to exceed the maximum rates shown below. When a provider does not have a half-day rate in effect, a rate is established by dividing the provider’s declared full-day rate by 2. When a provider has neither a half-day nor a full-day rate, a rate is established by multiplying the provider’s declared hourly rate by 4.5. Payment shall not exceed the rate applicable to the provider type and age group as shown in the tables below. To be eligible for the special-needs rate, the provider must submit documentation to the child’s service worker that the child needing services has been assessed by a qualified professional and meets the definition for “child with special needs,” and a description of the child’s special needs, including, but not limited to, adaptive equipment, more careful supervision, or special staff training.

Table 1 Half-Day Rate Ceilings for (Licensed Center)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$19.30 <u>\$25.66</u>	\$51.94	\$20.50 <u>\$25.66</u>	\$51.94	\$21.50 <u>\$25.66</u>	\$51.94	\$23.21 <u>\$27.00</u>	\$51.94
Preschool	\$17.00 <u>\$19.50</u>	\$30.43	\$18.00 <u>\$20.25</u>	\$30.43	\$18.98 <u>\$21.50</u>	\$30.43	\$20.00 <u>\$22.97</u>	\$30.43
School Age	\$13.50 <u>\$16.50</u>	\$30.34	\$14.75 <u>\$17.10</u>	\$30.34	\$15.00 <u>\$17.50</u>	\$30.34	\$16.00 <u>\$18.50</u>	\$30.34

Table 2 Half-Day Rate Ceilings for (Child Development Home A/B)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs

Infant and Toddler	\$12.98 \$16.63	\$19.47 \$24.95	\$13.50 \$16.63	\$20.25 \$24.95	\$13.75 \$16.63	\$20.63 \$24.95	\$14.00 \$17.50	\$21.00 \$26.25
Preschool	\$12.50 \$15.00	\$18.75 \$22.50	\$12.75 \$15.50	\$19.13 \$23.25	\$13.00 \$16.00	\$19.50 \$24.00	\$13.75 \$17.00	\$20.63 \$25.50
School Age	\$10.82 \$15.00	\$16.23 \$22.50	\$11.25 \$15.25	\$16.88 \$22.88	\$12.00 \$15.50	\$18.00 \$23.25	\$12.50 \$15.75	\$18.75 \$23.63

Table 3 Half-Day Rate Ceilings for (Child Development Home C)								
Age Group	No Quality Rating		Quality Rating 1 or 2		Quality Rating 3 or 4		Quality Rating 5	
	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	\$14.00 \$18.00	\$21.00 \$27.00	\$14.50 \$18.00	\$21.75 \$27.00	\$15.00 \$18.00	\$22.50 \$27.00	\$15.25 \$18.50	\$22.88 \$27.75
Preschool	\$13.75 \$16.28	\$20.63 \$24.42	\$14.50 \$17.00	\$21.75 \$25.50	\$14.75 \$17.50	\$22.13 \$26.25	\$15.00 \$18.50	\$22.50 \$27.75
School Age	\$11.25 \$15.00	\$16.88 \$22.50	\$12.50 \$15.75	\$18.75 \$23.63	\$13.00 \$16.44	\$19.50 \$24.66	\$14.50 \$17.50	\$21.75 \$26.25

Table 4 Half-Day Rate Ceilings for Child Care Home (Not Registered)		
Age Group	Basic	Special Needs
Infant and Toddler	\$12.98 \$16.63	\$19.47 \$24.95
Preschool	\$12.50 \$15.00	\$18.75 \$22.50
School Age	\$10.82 \$15.00	\$16.23 \$22.50

The following definitions apply in the use of the rate tables:

- (1) to (9) No change.