Regulatory Analysis

Notice of Intended Action to be published: 441—Chapter 159
"Child Care Resource and Referral Services"

Iowa Code section(s) or chapter(s) authorizing rulemaking: 237A.26
State or federal law(s) implemented by the rulemaking: Iowa Code section 237A.26

Public Hearing

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

December 16, 2025 10 a.m.	Microsoft Teams Meeting ID: 264 358 640 097 83 Passcode: V95vw7re

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:

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321 East 12th Street
Des Moines, Iowa 50319
Phone: 515.829.6021
Email: compliancerules@hhs.iowa.gov

Purpose and Summary

Existing Chapter 159 sets forth guidelines for processing and awarding child care resource and referral services grants. Upon review of the chapter under the auspices of Executive Order 10, it was determined that the Department did not have explicit rulemaking authority and that there were other ways the grant funds could be disbursed through the contracting process without being in the Iowa Administrative Code. Therefore, the Department proposes to rescind Chapter 159.

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 associated with the proposed rulemaking.

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

By simplifying the grant awarding process and taking it out of the Iowa Administrative Code, those seeking grant funds will benefit the most from this 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:**

In SFY 2025, the Department disbursed over $8.2 million in contracted services through child care resource and referral services. Contracted services for SFY 2026 are on track to total over $12.6 million. Because these funds are disbursed as contracts and not grants, this proposed rulemaking will not impact the Department's ability to procure or provide these services.

- **Qualitative description of impact:**

By simplifying the grant awarding process and taking it out of the Iowa Administrative Code, those seeking grant funds will benefit the most from this proposed rulemaking.

3. **Costs to the State:**

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

There are no costs associated with the enforcement of this proposed rulemaking since the chapter is proposed to be rescinded.

- **Anticipated effect on State revenues:**

This proposed rulemaking is not expected to have any effect on State revenues.

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

Chapter 159 is proposed to be rescinded to comply with Executive Order 10 by removing unnecessary rules from the Iowa Administrative Code.

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

Rescinding the chapter is the most effective method for achieving the purposes of the underlying program.

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

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

Not applicable.

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

Not applicable.

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?

This proposed rulemaking is not expected to have an impact on small business.

Text of Proposed Rulemaking

ITEM 1. Rescind and reserve **441—Chapter 159**.