

## **HUMAN SERVICES DEPARTMENT[441]**

**DRAFT ONLY: Dates herein may not comply with Schedule for Rule Making.**

### **Adopted and Filed Emergency**

**Rule making related to child care assistance provider rate increases**

The Human Services Department hereby amends Chapter 170, "Child Care Services," Iowa Administrative Code.

### **Legal Authority for Rule Making**

This rule making is adopted under the authority provided in Iowa Code section 234.6.

### **State or Federal Law Implemented**

This rule making implements, in whole or in part, Iowa Code section 234.6.

### **Purpose and Summary**

The department is revising the child care assistance provider reimbursement rate ceiling tables. This is being done to comply with federal requirements (45 CFR Part 98) that states must use the most recent market rate survey in establishing child care reimbursement rates. Iowa's most recent market rate survey was conducted in December 2020.

Effective July 1, 2021, reimbursement rates for providers of child care assistance are being increased to at least the 50th percentile of the 2020 market rate for child care providers.

The base rates for the Quality Rating System (QRS) bonuses were also updated to reflect increased child care provider reimbursement rates. The base rates were updated to the 50th percentile and the QRS highest rates to the 75th percentile of the 2020 survey. Previously the highest rates had been at the 75th percentile based on the 2017 market rate survey.

### **Reason for Adoption of Rule Making Without Prior Notice and Opportunity for Public Participation**

Pursuant to Iowa Code section 17A.4(3), the Department finds that notice and public participation are unnecessary or impractical because the emergency adoption was reviewed by the Administrative Rules Review Committee. 2021 Iowa Acts, House File 891 allows for emergency adoption due to a July 1, 2021, effective date provided in the bill. This is also a benefit with increased provider rates.

In compliance with section 32 of House File 891, the Administrative Rules Review Committee at its June 8, 2021, meeting reviewed the Department's determination and this rule making.

### **Reason for Waiver of Normal Effective Date**

Pursuant to Iowa Code section 17A.5(2)"b"(1)(b) the Department also finds that the normal effective date of this rule making, 35 days after publication, should be waived and the rule making made effective on July 1, 2021, because section 32 of House File 891 so provides and because increased child care provider rates provide a benefit.

## Adoption of Rule Making

This rule making will be adopted by the Council on Human Services on June 10, 2021, contingent on signature of House File 891 by the Governor.

### Fiscal Impact

Increasing the maximum provider rates as shown in the rate tables is estimated to cost \$13,355,730 per year. This cost is expected to be funded by federal Child Care and Development Funds (CCDF) carried forward until SFY25, when it is anticipated that the balance of CCDF funds will be fully expended.

### Jobs Impact

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

### Waivers

Any person who believes that the application of the discretionary provisions of this rule making would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any, pursuant to 441 IAC 1.8 (17A, 217).

### Review by Administrative Rules Review Committee

The Administrative Rules Review Committee, a bipartisan legislative committee which oversees rule making by executive branch agencies, may, on its own motion or on written request by any individual or group, review this rule making 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).

### Effective Date

This rule making will become effective on July 1, 2021.

The following rule-making action is adopted:

See Attached

**PROPOSED RULE CHANGES**

**Item 1.** Revise Table 1, Table 3 and Table 4 in subparagraph 170.4(7)'a' as follows:

<b>Table 1</b>								
<b>Half-Day Rate Ceilings for (Licensed Center)</b>								
	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	<del>\$17.00</del>	\$51.94	<del>\$19.75</del>	\$51.94	<del>\$20.50</del>	\$51.94	<del>\$21.90</del>	\$51.94
	\$19.30		\$20.50		\$21.50		\$23.21	
Preschool	<del>\$14.75</del>	\$30.43	<del>\$15.50</del>	\$30.43	<del>\$16.40</del>	\$30.43	<del>\$18.69</del>	\$30.43
	\$17.00		\$18.00		\$18.98		\$20.00	
School Age	<del>\$12.18</del>	\$30.34	<del>\$12.50</del>	\$30.34	<del>\$13.50</del>	\$30.34	<del>\$15.00</del>	\$30.34
	\$13.50		\$14.75		\$15.00		\$16.00	

<b>Table 3</b>								
<b>Half-Day Rate Ceilings for (Child Development Home C)</b>								
	No QRS		QRS 1 or 2		QRS 3 or 4		QRS 5	
Age Group	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs	Basic	Special Needs
Infant and Toddler	<del>\$13.00</del>	<del>\$19.50</del>	<del>\$14.00</del>	<del>\$21.00</del>	<del>\$14.50</del>	<del>\$21.75</del>	<del>\$15.00</del>	<del>\$22.50</del>
	\$14.00	\$21.00	\$14.50	\$21.75	\$15.00	\$22.50	\$15.25	\$22.88
Preschool	<del>\$12.50</del>	<del>\$18.75</del>	<del>\$13.00</del>	<del>\$19.50</del>	<del>\$13.50</del>	<del>\$20.25</del>	\$15.00	\$22.50
	\$13.75	\$20.63	\$14.50	\$21.75	\$14.75	\$22.13		
School Age	\$11.25	\$16.88	<del>\$12.00</del>	<del>\$18.00</del>	<del>\$12.50</del>	<del>\$18.75</del>	<del>\$14.00</del>	<del>\$21.00</del>
			\$12.50	\$18.75	\$13.00	\$19.50	\$14.50	\$21.75

**Table 4**  
**Half-Day Rate Ceilings for**  
**child care home (not**  
**registered)**

Age Group	Basic	Special Needs
Infant and Toddler	<del>\$8.19</del>	<del>\$12.29</del>
	\$12.98	\$19.47
Preschool	<del>\$7.19</del>	<del>\$10.79</del>
	\$12.50	\$18.75
School Age	<del>\$7.36</del>	<del>\$11.04</del>
	\$10.82	\$16.23