

Subject: Iowa’s Corrective Action Plan for FY2019-2021 Child Care Development Fund (CCDF) State Plan

Date: January 14, 2019

The Iowa Department of Human Services is the Lead Agency for the CCDF State Plan. The State Plan outlines the federal requirements for accepting CCDF funds and the state must include responses to describe how it is meeting each of those requirements. The federal Office of Child Care (OCC) then reviews the CCDF State Plan and determines if the state is meeting the requirements. If the OCC determines a requirement is not met they require a corrective action plan and may also impose a fiscal penalty.

The FFY 19-21 CCDF State Plan included 240 sections requiring responses. Iowa’s plan was submitted in August 2018. In December 2018, the OCC provided Iowa with written feedback that Iowa’s plan was conditionally approved. As part of the conditional approval they identified six sections where they determined that Iowa was not meeting requirements. No fiscal penalties were imposed however; a corrective action plan must be submitted to federal partners no later than February 28, 2019. Additionally Iowa has received a waiver to continue work on meeting background check requirements.

The Federal OCC will be conducting an on-site monitoring visit to Iowa in August 2019 to further evaluate compliance with the CCDF State Plan.

The table below outlines the areas Iowa must review and address by October 1, 2019.

Iowa may request an additional 1 year waiver for background check requirements

CFR Citation	State Plan Citation	CCDF Requirement	State of Iowa Current Process	Challenge	Next steps
45 CFR 98.21	3.1.7 Graduated Phase out of Assistance	Annual redetermination by Lead Agency(LA) must be set at a second threshold of income eligibility in accordance with one of the following options: <ul style="list-style-type: none"> • 85 percent of SMI for a family of the same size 	A family whose income exceeds 145% FPL at their annual redetermination review is eligible for the new Child Care	LA is not permitted to have a 12 month limit on CCA Plus.	CCA Plus program will need to be set within an acceptable federal income threshold without a time limit.

		<p style="text-align: center;">Or</p> <ul style="list-style-type: none"> Provides justification for second eligibility threshold that is an amount lower than 85 percent of SMI for a family of the same size but above the Lead Agency's (LA) initial eligibility threshold 	<p>Assistance (CCA) Plus program for another 12-month certification period or until their income exceeds 85% SMI, whichever comes first. Need for Service beyond income eligibility must also be met</p>		<p>Develop Corrective Action Plan (CAP)</p>
<p>45 CFR 98.21</p>	<p>3.3.3 Change reporting during the 12 month eligibility period</p>	<p>Must limit notification requirements to items that impact a family's eligibility (e.g., only if income exceeds 85 percent of State Median Income (SMI), or there is a non-temporary change in the status of the child's parent as working or attending a job training or educational program)</p>	<p>Family must report any changes. The LA acts on changes that reduce a family's copayment or increase the families subsidy. If the reported changes would reduce a family's subsidy the Lead Agency does not act on those changes unless :</p> <ul style="list-style-type: none"> family's income exceeds 85 percent SMI or there is a non-temporary change ineligible activity in which case 90 days is given 	<p>LA has families report income changes to the LA to assist in determining if they will exceed 85% of the SMI. LA cannot require reporting of this information unless it is known that the family will exceed income over 85% of SMI.</p>	<p>Families will be required to only report non temporary change and income above 85% SMI.</p> <p>Develop CAP</p>

			to start an eligible activity.		
45 CFR 98.45	4.4.1 CCDF Payment Rates sufficient	<p>LA must certify that CCDF payment rates are sufficient to ensure equal access for eligible families to child care services comparable to those families not receiving CCDF assistance</p> <p>Describe how payment rates are adequate and have been established based on the <u>most recent Market Rate Survey (MRS)</u> or alternative methodology</p>	<p>2018 legislative language directed the LA to raise CCA reimbursement rates with the goal of raising maximum rates to the 50th %ile of the 2014 market rate and to increase Quality Rating System (QRS) Infant/Toddler (I/T) rates with the goal of raising maximum rates to the 75th %ile of the 2014 market rate effective 01/01/19.</p>	<p>Iowa's rates are not set based on the most recent MRS (2017).</p> <p>At time of submission (Aug. 2018) rates were based on the 2004 MRS (+2%, +2%, +4%).</p> <p>As of 01/01/2019</p> <ul style="list-style-type: none"> • 35-75th %ile of 2017 MRS for all provider types, increasing with QRS involvement. • QRS 5 is at the 75th %ile of the 2017 MRS. 	<p>Provide Department of Human Services (DHS) leadership with Office of Child Care Federal response that Iowa is not in compliance.</p> <p>Develop a CAP.</p>
45 CFR 98.42	5.3.3 Annual monitoring of license exempt providers	LA must have policies and practices that require licensing inspectors to perform an annual monitoring visit of each license-exempt CCDF provider for compliance with health, safety, and fire standards.	In-Home providers are required to meet all training requirements in minimum health and safety, including 1st Aid, CPR, Mandatory Reporter training, and 12 contact hours of	Iowa does not conduct an annual monitoring visit to in-home programs.	Develop a CAP.

			essential health and safety content areas Upon receipt of a complaint by the LA, the LA may conduct a visit to evaluate compliance concerns.		
45 CFR 98.43	5.4 Background Checks *Note: Officially granted a waiver for 5.4, is not part of the CAP.	Establish requirements and procedures, conduct checks on all new and existing staff for National Crime Information Center (NCIC) National Sex Offender Registry Check of criminal registry in any other state where the individual has resided in past 5 years (existing and new staff) Check of Sex Offender Registry in any other state where the individual has resided in past 5 years (existing and new staff) Check of Child Abuse/Neglect registry in any other state where the individual has resided in past 5 years (existing and new staff)	Iowa has not yet implemented. All states applied for and received extensions through 9/30/18 and Federal Office of Child Care committed to granting additional waivers of up to 2 years, in one year increments	Iowa has not yet implemented. Iowa has received a time-limited waiver until 9/30/19 with potential 1 year renewal.	Continue to work with federal partners.
48 CFR 98.43	5.4 Background Checks	Establishing requirements and procedures for staff members to begin work provisionally after completing AND RECEIVING	States received feedback from Federal partners (State Plan (5.4.9 &	Iowa has received a time-limited waiver until 9/30/19 with potential 1 year	Continue to work with federal partners.

	<p>*Note: Officially granted a waiver for 5.4, is not part of the CAP.</p>	<p>satisfactory result on either the FBI or State Fingerprint.</p>	<p>Appendix A.13) that as long as request was submitted, staff could start on a provisional basis. Iowa changed rules for child care centers to require fingerprint submission prior to employment rather than allowing 30 days before submitting</p>	<p>renewal.</p>	
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