

HUMAN SERVICES DEPARTMENT[441]

Notice of Intended Action

**Proposing rule making related to child care assistance fees
and providing an opportunity for public comment**

The Human Services Department hereby proposes to amend Chapter 170, “Child Care Services,” Iowa Administrative Code.

Legal Authority for Rule Making

This rule making is proposed 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 proposed amendments revise the Child Care Assistance (CCA) fees that are based on federal poverty levels (FPL), household size, and family gross monthly income. These amendments remove the fee chart from administrative rules and ensure that the fee chart, revised annually, is published on the Department’s website. Finally, these amendments provide clarification regarding change reporting requirements.

Fiscal Impact

Copay chart changes: There is no fiscal impact to the state. The proposed amendment simply allows families that have received a cost-of-living pay increase to remain at their current fee level.

Reporting requirements: The clarification on reporting requirements has no fiscal impact.

Jobs Impact

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

Waivers

This amendment does not provide a specific waiver authority because families may request a waiver of these provisions in a specified situation under the Department's general rule on exceptions at rule 441—1.8(17A,217).

Public Comment

Any interested person may submit written comments concerning this proposed rule making. Written comments in response to this rule making must be received by the Department no later than 4:30 p.m. on April 16, 2019. Comments should be directed to:

Harry Rossander

Bureau of Policy Coordination

Department of Human Services

Hoover State Office Building, Fifth Floor

1305 East Walnut Street

Des Moines, Iowa 50319-0114

Email: policyanalysis@dhs.state.ia.us

Public Hearing

No public hearing is scheduled at this time. As provided in Iowa Code section 17A.4(1)“b,” an oral presentation regarding this rule making may be demanded by 25 interested persons, a governmental subdivision, the Administrative Rules Review Committee, an agency, or an association having 25 or more members.

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).

The following rule-making actions are proposed:

ITEM 1. Rescind subrule 170.2(4) and adopt the following **new** subrule in lieu thereof:

170.2(4) Reporting changes. The parent may report any changes in circumstances affecting these eligibility requirements and changes in the choice of provider to the department worker or the PROMISE JOBS worker within ten calendar days of the change.

a. If the change is timely reported within ten calendar days, the effective date of the change shall be the date when the change occurred.

b. If the change is not timely reported within ten calendar days, the effective date of the change shall be the date when the change is reported to the department office or the PROMISE JOBS office.

c. Exceptions. The following changes must be reported:

(1) Changes in income when the family's gross monthly income exceeds 85 percent of Iowa's median family income.

(2) A lapse in a parent's need for service found in paragraph 170.2(2) "b" that is not temporary.

(3) A change in residency outside of the state of Iowa.

(4) No eligible child remains in the home.

d. The department worker shall disregard any reported changes that are not required to be reported unless the change would cause the authorized units to be increased or the family copay amount to be decreased.

ITEM 2. Rescind subrule 170.4(2) and adopt the following **new** subrule in lieu thereof:

170.4(2) Fees. Fees for services received shall be charged to clients based on household size and the family's gross monthly income. Clients receiving child care services without regard to income shall not be charged a fee. The fee is a per-unit charge that is applied to the child in the family who receives the largest number of units of service. The fee shall be charged for only one child in the family, regardless of how many children receive assistance.

a. Sliding fee schedule. The fee schedule shall be updated annually, effective July 1 of each year, to reflect updated federal poverty level guidelines. The fee schedule will be published on the department's website.

b. Collection. The provider shall collect fees from clients.

(1) The provider shall maintain records of fees collected. These records shall be available for audit by the department or its representative.

(2) When a client does not pay the fee, the provider shall demonstrate that a reasonable effort has been made to collect the fee. "Reasonable effort to collect" means an original billing and two follow-up notices of nonpayment.

c. Inability of client to pay fees. Child care assistance may be continued without a fee, or with a reduced fee, when a client reports in writing the client's inability to pay the

assessed fee due to the existence of one or more of the conditions set forth below. Before reducing the fee, the worker shall assess the case to verify that the condition exists and to determine whether a reduced fee can be charged. The reduced fee shall then be charged until the condition justifying the reduced fee no longer exists. Reduced fees may be justified by:

- (1) Extensive medical bills for which there is no payment through insurance coverage or other assistance.
- (2) Shelter costs that exceed 30 percent of the household income.
- (3) Utility costs not including the cost of a telephone that exceed 15 percent of the household income.
- (4) Additional expenses for food resulting from a diet prescribed by a physician.

ITEM 3. Amend paragraph **170.4(3)“i”** as follows:

i. Transgressions. If any person subject to the record checks in paragraph 170.4(3)“g” or 170.4(3)“h” has a record of founded child abuse, dependent adult abuse, a criminal conviction, or placement on the sex offender registry, the department shall follow the process for prohibition or evaluation defined at 441—subrule ~~110.7(3)~~ 120.11(3).

- (1) and (2) No change.



Iowa Department of Human Services

Information on Proposed Rules

Name of Program Specialist	Telephone Number	Email Address
Mark Adams		madams@dhs.state.ia.us

1. Give a brief purpose and summary of the rulemaking:
 Revise 441 IAC 170.4(2) to revise the Child Care Assistance (CCA) fee chart based on the new federal poverty levels (FPL). Revise 441 IAC 170.2(4) to add clarifying language regarding change reporting requirements.

2. What is the legal basis for the change? (Cite the authorizing state and federal statutes and federal regulations):
 441 IAC 170 indicates FPL is updated every July 1. Federal Child Care Development Block Grant (CCDBG) rules dictate the types of changes that are required to be reported.

3. Describe who this rulemaking will positively or adversely impact.
 The annual poverty level increase will allow families that have received raises to maintain eligibility for CCA without paying increased fees.

 The change reporting updates will clarify current practice regarding what changes the family is required to report.

4. Does this rule contain a waiver provision? If not, why?
 This amendment does not provide a specific waiver authority because families may request a waiver of these provisions in a specified situation under the Department's general rule on exceptions at 441 – 1.8(17A, 217).

5. What are the likely areas of public comment?
 None expected.

6. Do these rules have an impact on private-sector jobs and employment opportunities in Iowa? (If yes, describe nature of impact, categories and number of jobs affected, state regions affected, costs to employer per employee.)
 No.



Administrative Rule Fiscal Impact Statement

Date: January 22, 2019

Agency: Human Services

IAC citation: 441 IAC 170

Agency contact: Mark Adams

Summary of the rule:

Revise 441 IAC 170.4(2) to revise the Child Care Assistance (CCA) fee chart based on the new federal poverty levels (FPL). Revise 441 IAC 170.2(4) to add clarifying language regarding change reporting requirements.

Fill in this box if the impact meets these criteria:

- No fiscal impact to the state.
- Fiscal impact of less than \$100,000 annually or \$500,000 over 5 years.
- Fiscal impact cannot be determined.

Brief explanation:

Co-pay chart changes – there is no fiscal impact to the state. It simply allows families that have received a cost of living pay increase to remain at their current fee level. The clarification on reporting requirements has no fiscal impact.

Fill in the form below if the impact does not fit the criteria above:

- Fiscal impact of \$100,000 annually or \$500,000 over 5 years.

Assumptions:

Describe how estimates were derived:

Estimated Impact to the State by Fiscal Year

	Year 1 (FY)	Year 2 (FY)
Revenue by each source:		
General fund	_____	_____
Federal funds	_____	_____
Other (specify):	_____	_____
TOTAL REVENUE	_____	_____
Expenditures:		
General fund	_____	_____
Federal funds	_____	_____
Other (specify):	_____	_____
TOTAL EXPENDITURES	_____	_____
NET IMPACT	_____	_____

This rule is required by state law or federal mandate.
Please identify the state or federal law:
 Identify provided change fiscal persons:

Funding has been provided for the rule change.
Please identify the amount provided and the funding source:

Funding has not been provided for the rule.
Please explain how the agency will pay for the rule change:

Fiscal impact to persons affected by the rule:

None

Fiscal impact to counties or other local governments (required by Iowa Code 25B.6):

None

Agency representative preparing estimate: Kathy Blume

Telephone number: 515-281-4196