



Iowa Department of Human Services

Terry E. Branstad
Governor

Kim Reynolds
Lt. Governor

Charles M. Palmer
Director

February 29, 2016

Waiver Approved
s/Janet E. Phipps/
02/29/2016

Janet Phipps, Director
Iowa Department of Administrative Services
Hoover State Office Building
LOCAL

Dear Director Phipps:

The Department of Human Services (DHS) seeks a one-year waiver to 11 IAC 118.11 requiring competitive procurement. This request is made pursuant to 11 IAC 118.8(2) because application of the rule will have adverse consequences to the continuity of the delivery of services through the Child Care Resource and Referral (CCR&R) program due to extraordinary circumstances

Child Care Resource and Referral (outlined in Iowa Code 237A.26 and IAC chapter 441-159) is a statewide program designed to achieve consistent, high-quality services to parents, child care providers and communities. Services are delivered through a network of providers working together to:

- Improve accountability for service delivery
- Develop a provider support system that is improvement driven
- Utilize technology to best serve parents and providers
- Reduce administrative costs to move more resources to direct services:

Today the Department administers this coordinated statewide system through contract agreements with five service providers. The current contracts will expire June 30, 2017.

In November 2014, the existing federal law governing child care was reauthorized. This reauthorization resulted in a significant increase in state regulatory responsibilities. At this time the Department is in the process of developing a new Child Care and Development Fund (CCDF) state plan that aligns with the federal law mandates. The CCR&R statewide network is an integral part of the CCDF state plan and the state's ability to implement the plan as written.

Currently the CCDF state plan is in the development phase. While the CCR&R network will be integral to the success of the plan implementation, it is unclear what the CCR&R role and scope of work may look like moving forward. The Department anticipates receiving a detailed and approved CCDF state plan in late 2016. This does not allow sufficient time for the drafting and letting of a formal competitive procurement. Additionally, funding for this work is contingent on budget approval by the state legislature. If funding is not made available through a budget allocation, the Department will need additional time to secure resources to

implement the CCDF requirements. It is anticipated that a funding designation will be made no later than July 1, 2016.

DHS is seeking a waiver from the competitive process for one additional fiscal year to allow for:

- Necessary planning to develop a well thought out procurement that aligns with new federal requirements.
- Gathering and reporting of sufficient data to allow for well-informed bid proposals.
- Adequate time for potential service providers to build the capacity to meet the new program requirements.

It is the intent of DHS to issue a competitive procurement in compliance with 11-118.11 to this effect and to enter into a contract for CCR&R statewide services no later than July 1, 2018.

Thank you for consideration of our waiver request. If you have any questions concerning the request, please feel free to contact Michelle Muir at: mmuir@dhs.state.ia.us or (515) 281-8785.

Sincerely,



Charles M. Palmer
Director

cc: Wendy Rickman, Administrator, Adult Children and Family Services (ACFS)
Michelle Muir, Adult Children and Family Services (ACFS)