

# Investing in Iowa's Child Care System

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# Child Care Accomplishments

- Governor's Child Care Task Force Initiatives
- Tracking successes and initiatives since March 2020
- Cross-Agency Collaboration

2020 | January - December



**MARCH**  
On March 13, 2020, a nationwide state of emergency was declared due to the COVID-19 virus.  
 ▶ Stood up support for temporary child care sites for essential workforce.  
 ▶ Covered cost of record checks for temporary child care staff.  
 ▶ OCIO map of child care availability goes live.  
 ▶ Unlimited absent day billing for CCA.  
 ▶ QRS expirations were extended.

**JULY**  
 ▶ HF2198 Revised Infant/Toddler definition to improve rates paid for 2-year-old children.  
 ▶ Removed 12-month time limit on CCA Plus and eligibility increased to 225% FPL.  
 ▶ QRS expirations were extended until July 2021.

**APRIL**  
 ▶ Implemented  
 • Monthly stipends  
 • Essential Employee add-on stipend  
 • Rejuvenation Grants  
 • Waived family co-pays  
 • Waived temporary lapse policy so families experiencing job loss didn't lose subsidy  
 • Provided PPE and cleaning supplies.  
 ▶ QRS expirations were further extended.



2021 | January - April



**JANUARY**  
 ▶ Initiated Child Care Stabilization Grants.  
 ▶ Round 2 of Child Care Challenge/ Investing in Iowa's Child Care awarded.  
 • 107 projects and 5,062 slots  
 ▶ Survey sent to all licensed child care centers regarding regulations per Task Force recommendation.  
 ▶ ICC Round 2 through CCR&R Awards Posted: 140 projects  
 ▶ Modified regulations to reduce burden for Child Development Home effective.  
 • Number of children served (HF260 for unregulated numbers)  
 ▶ Removed part time hour limit, which increases allowances for full time care.  
 ▶ Increased number of infants served in a home with 2 providers (C2).  
 • Modified inspection of private sewage disposal.  
 • Modified permission requirements for field trips.

**FEBRUARY**  
 ▶ Initiated Recruitment and Retention Bonus Program for child care providers.  
 ▶ Shared Services Co-Design Team began.

**MARCH**  
 ▶ ECI, in partnership with DAS, enacted an Agreement with Mid-Sioux Opportunity, Inc. establishing financial management consultation statewide.

**APRIL**  
 ▶ Iowa Quality for Kids (IQ4K) roll out.  
 ▶ Increased IQ4K bonus structure.



2021 | January - December



**MARCH**  
 ▶ Governor Proclamation created a Child Care Task Force.  
 ▶ Partnered with Iowa Workforce Development for Child Care Challenge Grant.  
 • 61 projects, 3,942 slots  
 ▶ Increased monthly stipends.

**JULY**  
 ▶ CCA Provider Rate Increase to 2020 MRS.  
 ▶ Implemented State-wide wages  
 ▶ FFY 22-24 CCFD State Plan submitted.  
 ▶ New Business Training and TA contract begins.

**SEPTEMBER**  
 ▶ Ended co-pay reimbursement.  
 ▶ Ended Unlimited CCA Absent Day billing.

**NOVEMBER**  
 ▶ Increased absent day billing for CCA from 4 to 6.  
 ▶ Governor's Child Care Task Force Report released.  
 ▶ ECI partnered with DAS to issue an RFP for Early Childhood Financial Management Consultants.

**FEBRUARY**  
 ▶ Iowa's child care public facing dashboard goes live.

**MAY**  
 ▶ Investing in Iowa's Child Care kicked off with Child Care Resource and Referral.

**AUGUST**  
 ▶ ICC through CCR&R awards posted 139 Round 1 awards for 1874 slots and supporting urgent regulatory needs for existing providers.  
 ▶ Stipends to child care providers ended.

**OCTOBER**  
 ▶ Enacted a MOU between DHS and ECI to support subcontract with Opportunities Exchange for Shared Services project.



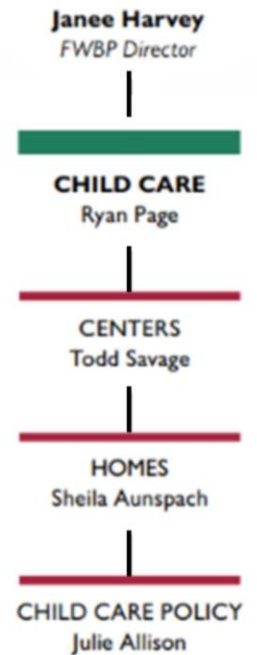
# Child Care Team

Division of Family Well-Being and Protection



## Table of Organization

Division of Family Well-Being and Protection

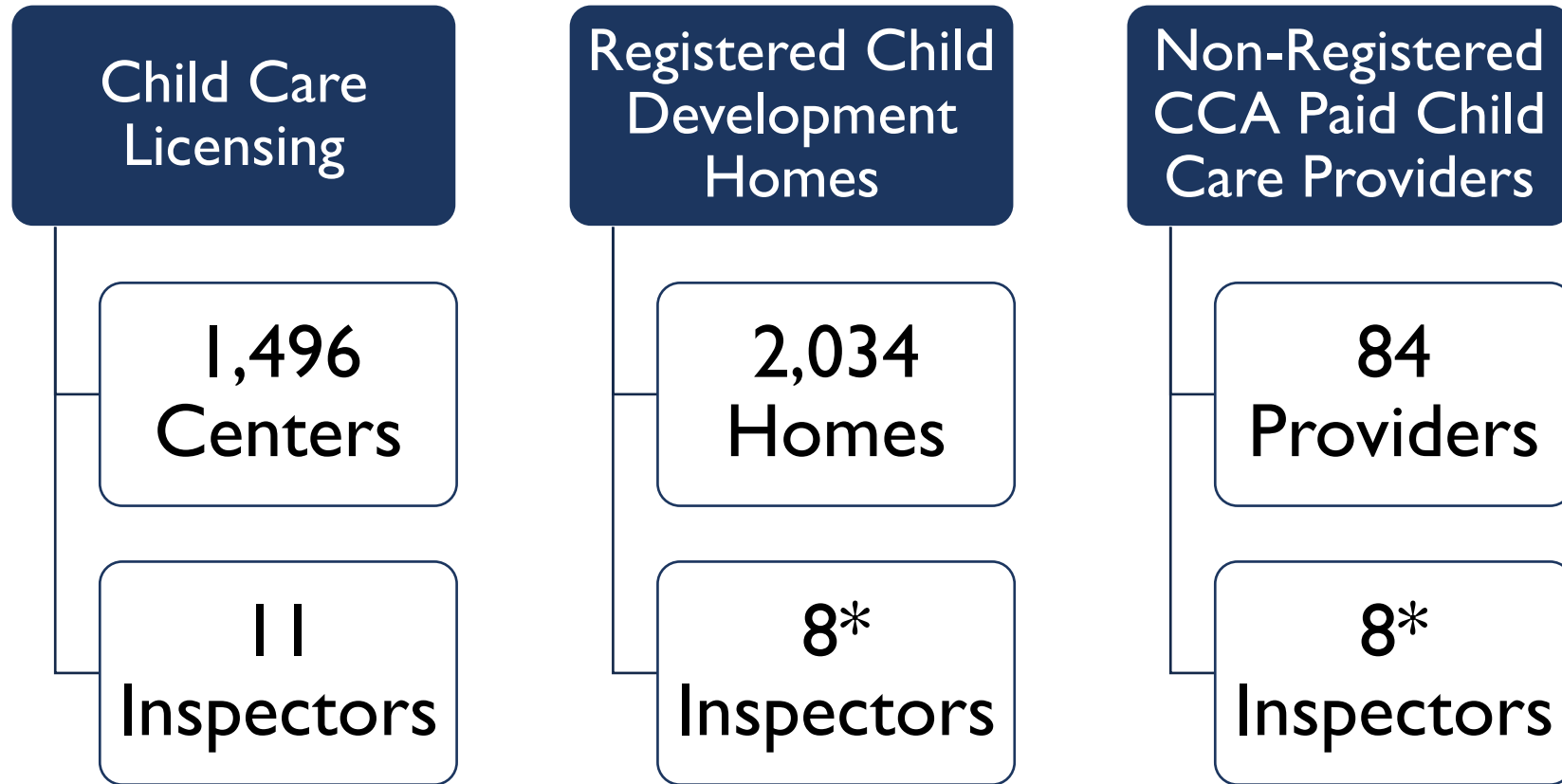


# Child Care Policy

- Responsible for the oversight of the federal Child Care and Development Block Grant (CCDBG) through the Child Care and Development Fund (CCDF) State Plan
- Regulation and Oversight
- Child Care Subsidies for low income families
- Quality Initiatives Contract Management
- Healthy Child Care Iowa



# Licensing and Regulation



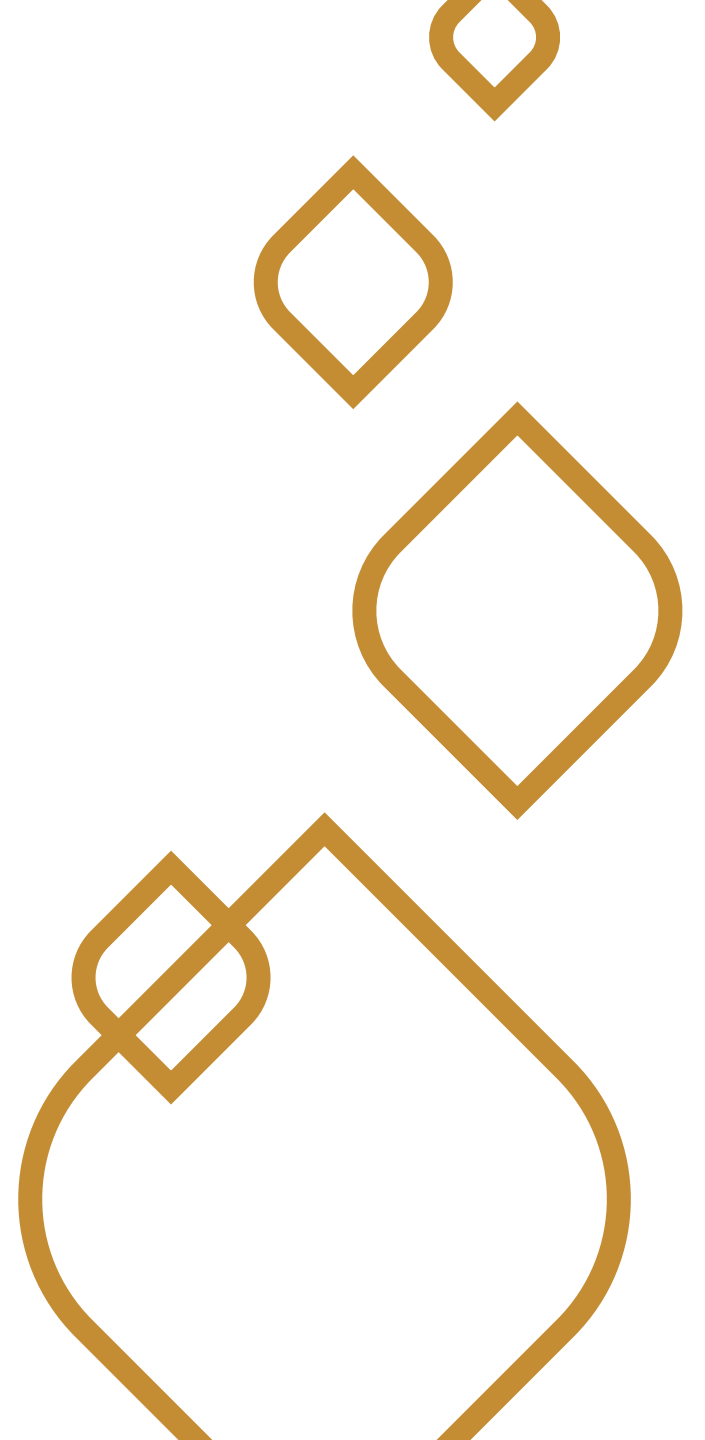
\*8 inspectors are shared between Registered Child Development Homes and Non-Registered CCA Paid Child Care Providers

# Healthy Child Care Iowa

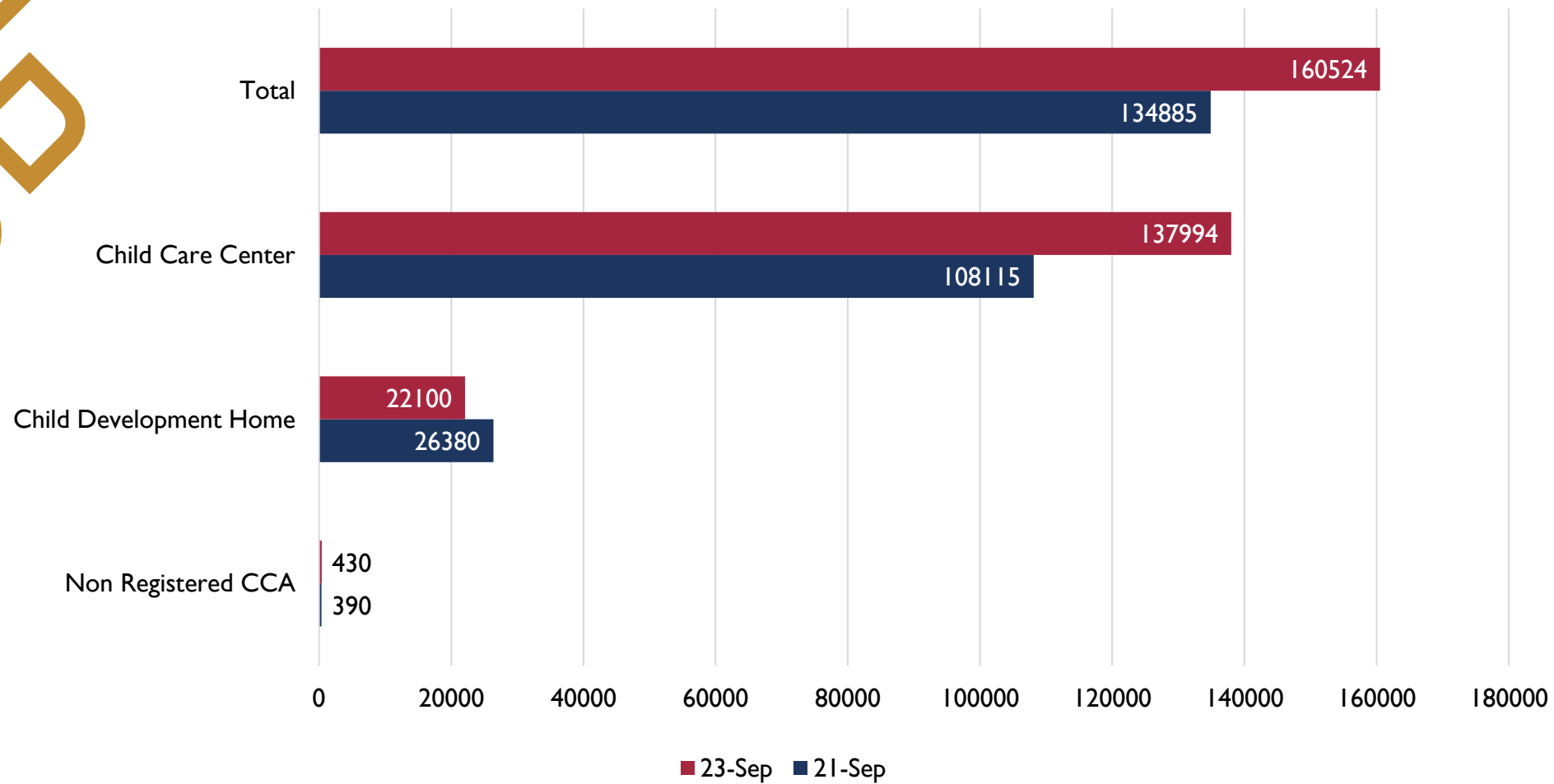
- Improve the quality of health and safety in Early Care and Education (ECE) programs
- Employs registered nurses as Child Care Nurse Consultants (CCNC)
- CCNCs providing training, technical assistance, referrals and care planning for children with special health needs in a child care setting



# Current Child Care Landscape



# Current Child Care Slot Capacity







# Slots Versus Capacity

- Data through HHS licensing can provide current available slot access
- Child Care Resource and Referral (CCR&R) currently works with child care providers to capture current capacity to service children. (This may not be the same as number of slots)
- Desired capacity and slot capacity may be different depending on staffing levels
- Operational Data Store as part of Shared Services effort is a long-term strategy to better understand the differences between slots and capacity to serve children in the area



# Child Care System Barriers

Competing issues within the child care industry

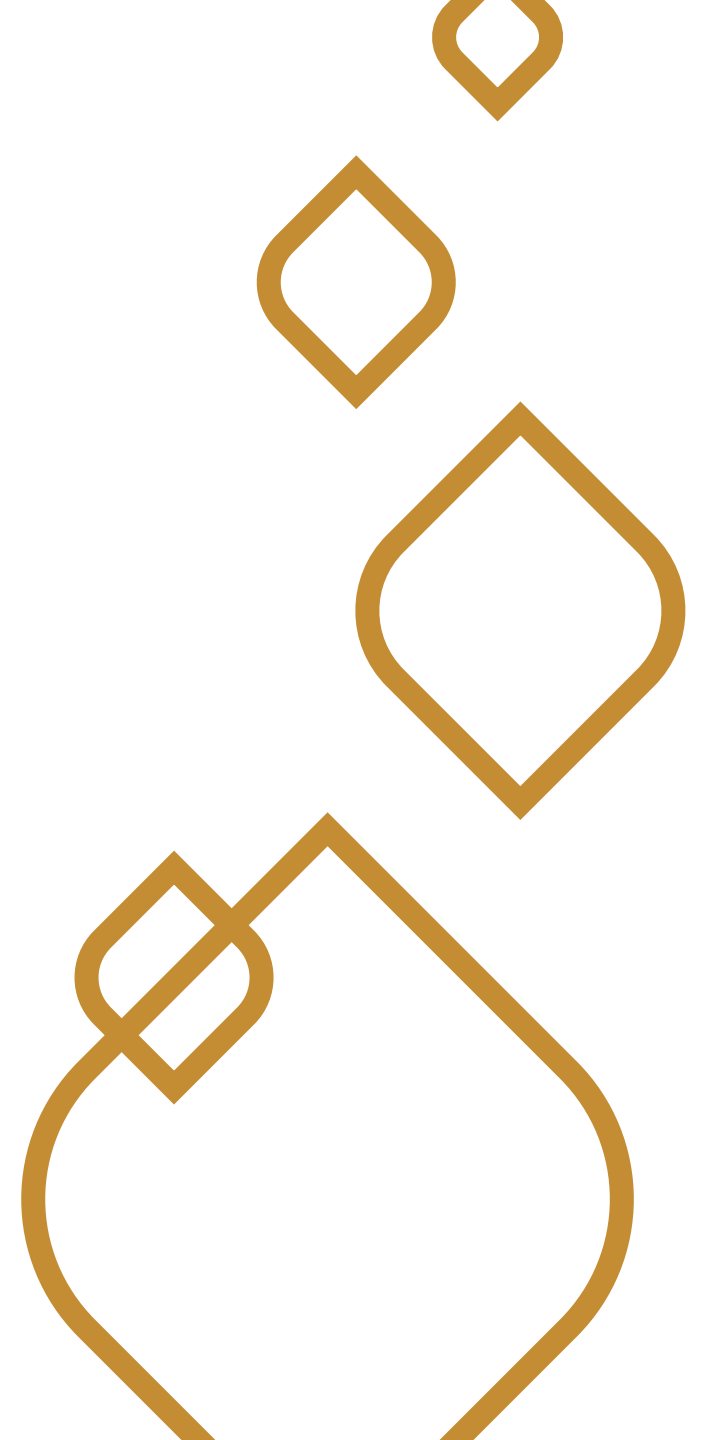
Subsidy rates are below market value, reducing access to families on CCA

Expanding child care access cannot be accomplished by only increasing subsidy availability to families

Child care industry jobs remain below pre-pandemic levels

- Low pay
- Worker shortage

# Recent Legislative Action and Updates



# Cliff Effect CCA Exit: HF 302

- Implemented July 1, 2022
- Family co-pay fees start at 33% up to 60% of cost of care for every child
- SFY24 data: An average of 83 children per month, at an average cost of \$315 per month
- Families are paying an average of 43% of the cost of care

Year	Average Monthly Number of Children	Annual Cost
SFY23	56	\$200,622
SFY24	80	\$334,887
SFY25	76	\$335,939

# Chapter 89, 2023 Iowa Acts

## Initial Eligibility for Child Care Assistance (CCA) Program

- Solidified initial eligibility level in code
- Increased the “front door” from 145% to 160% Federal Poverty Level (FPL)
- For the average CCA family (1 parent & 2 children)
  - 145% FPL= \$36,047 per year or \$3,004 per month (approx. \$18.78/hr)
  - 160% FPL= \$39,776 per year or \$3,315 per month (approx. \$20.72/hr)

## Work Hour Requirement

- Increased minimum requirement from 28 to 32 hours per week
- If child has special needs the requirement remained at 28 hours per week

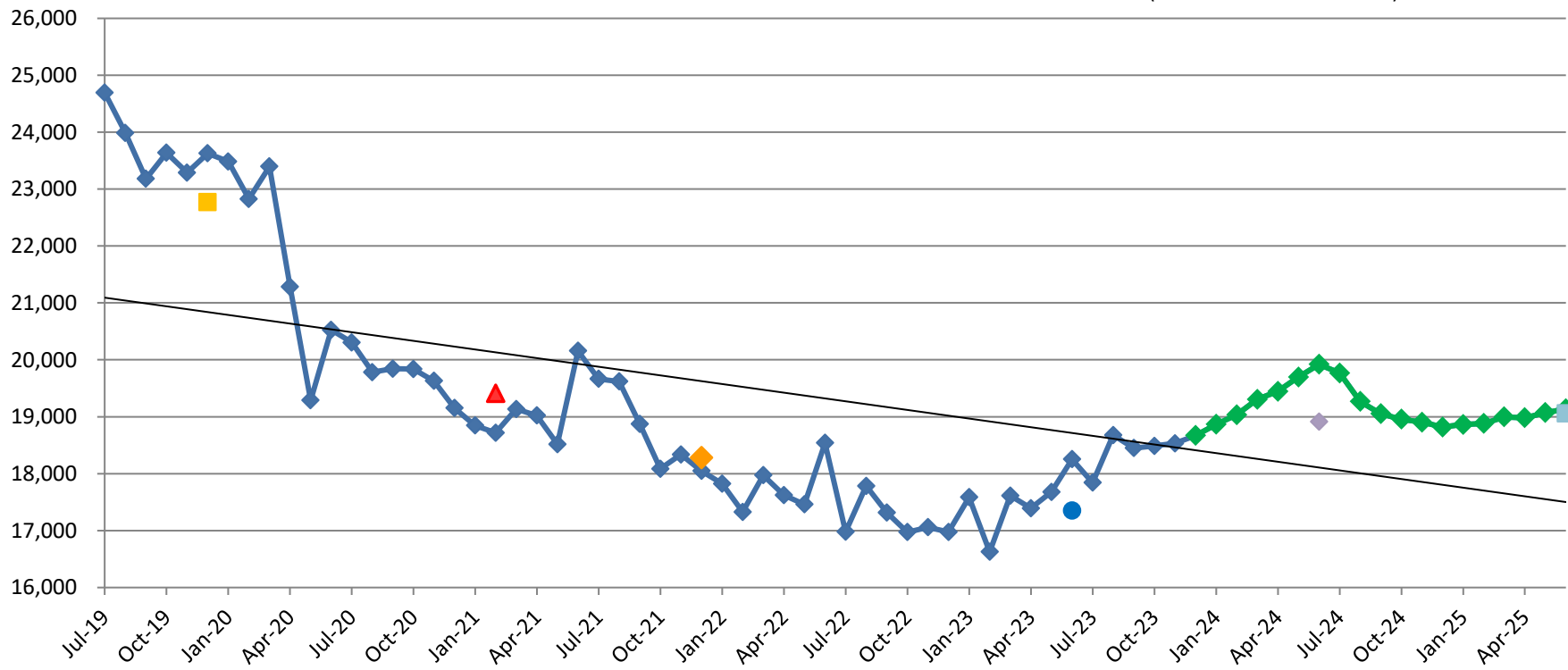
## CCA Provider Rates

- Solidified provider rates in code
- Increased rates from 50<sup>th</sup>-75<sup>th</sup> percentile to 65<sup>th</sup>-80<sup>th</sup> percentile of the 2020 Market Rate Survey (MRS)
- Note: Federal regulations will require this code to be updated once the 2023 MRS is completed.

# CCA Caseloads

**Child Care Assistance  
Total Children Served By Month  
HHS Projections through June 2025**

- ◆— Actual # Children Served
- ◆— Current Projections through SFY25
- Monthly Average SFY 20
- ▲ Monthly Average SFY 21
- ◆ Monthly Average SFY 22
- Monthly Average SFY 23
- ◆ Monthly Average SFY 24
- Monthly Average SFY 25
- Linear (Actual # Children Served)





# Staffing Ratio Modifications: HF2198

Allows increase in adult-to-child ratio in 2 year old classroom from **1:6 to 1:7**

Allows increase adult-to-child ratio in 3 year old classrooms from **1:8 to 1:10**

Allows 16/17yo staff to care for school-aged children in child care centers without adult supervision

# Child Care Provider Survey

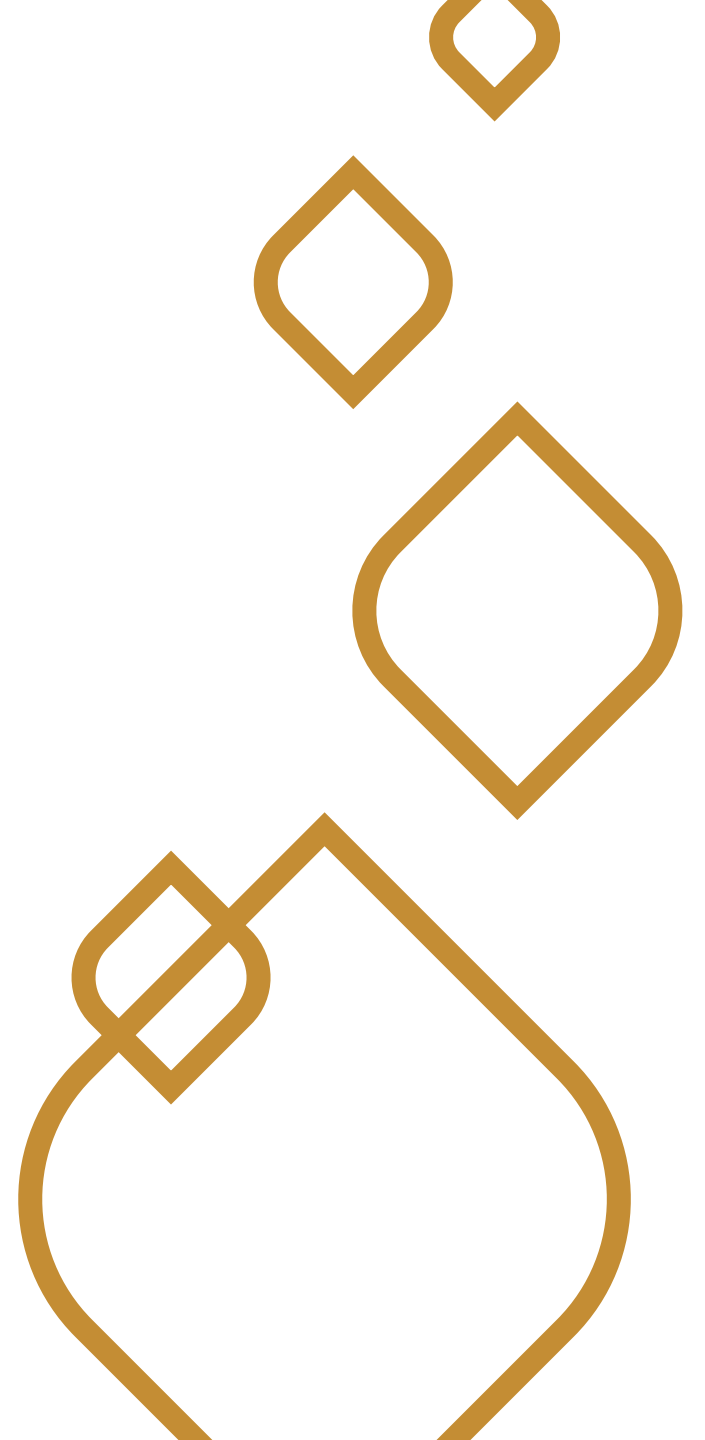
## Survey conducted in December 2022

- 42% indicated they changed ratios in their 2 and/or 3yo classrooms
  - 82% believe this has eased staffing burdens
  - 73% indicated this change has successfully supported families in their community with access to child care
- 48% of programs that serve school-aged children indicated that they allow persons under 18 years of age to provide direct care to children without adult staff present
  - Of those programs, 75% indicated that this has supported families in their community with access to child care.





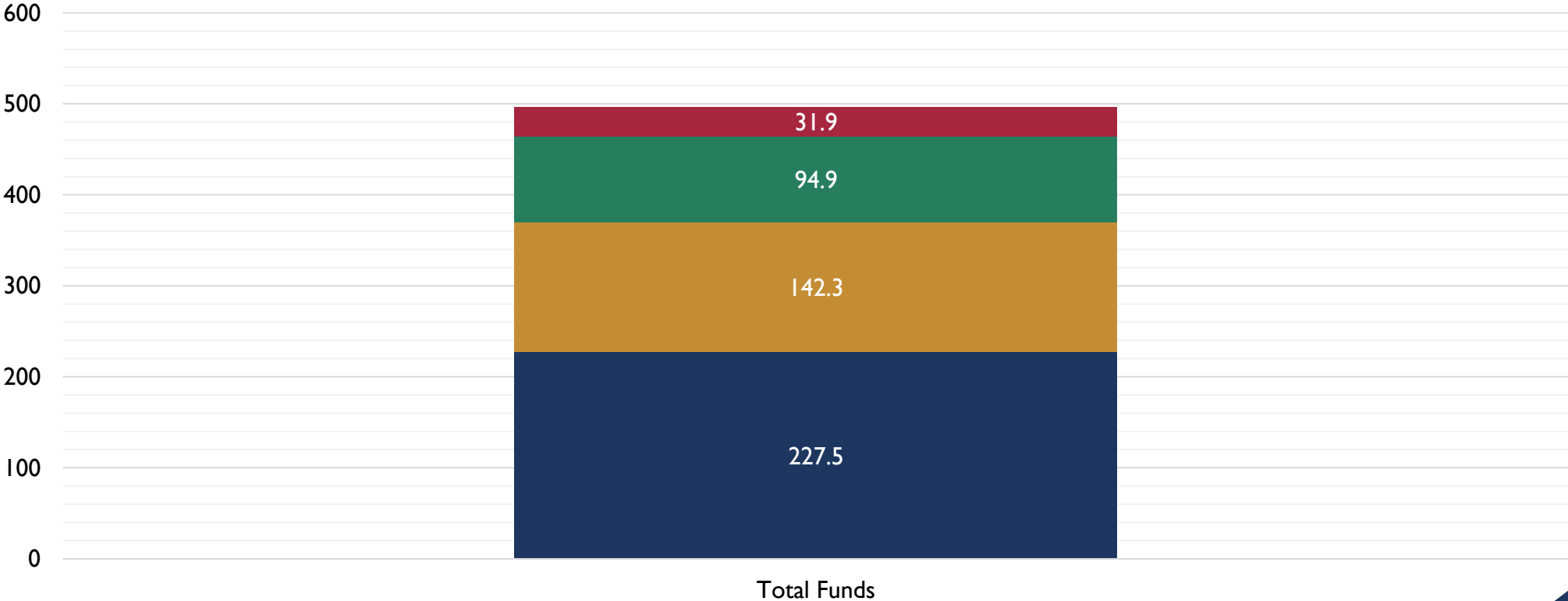
# Stimulus Funding Updates



# Stimulus Spending Update

Total Stimulus Funds  
(In millions)

■ ARPA Stabilization ■ ARPA Discretionary ■ CRRSA ■ CARES



# Shared Services

- Allows child care providers to access a statewide, web-based partnership platform for support on various business operations
- Allows providers to operate independently while benefiting from cost savings and resources offered through the partnership platforms
- Creates sustainable, operational efficiencies to offer high quality programming
- Collaboration with Opportunities Exchange



# Iowa's Shared Services Project

- Child Care Management System (CCMS)
  - Playground
  - Brightwheel
- Financial Management Consulting/Coaching
  - Child Care Collaborative of Iowa
- Technology Grants for child care providers
- IT enhancements
  - Direct Data Bridge Connection to KinderTrack (KT)
  - Data Bridges Through an Operational Data Store (ODS)



Opportunities  
Exchange

## **IOWA LEADS THE WAY:**

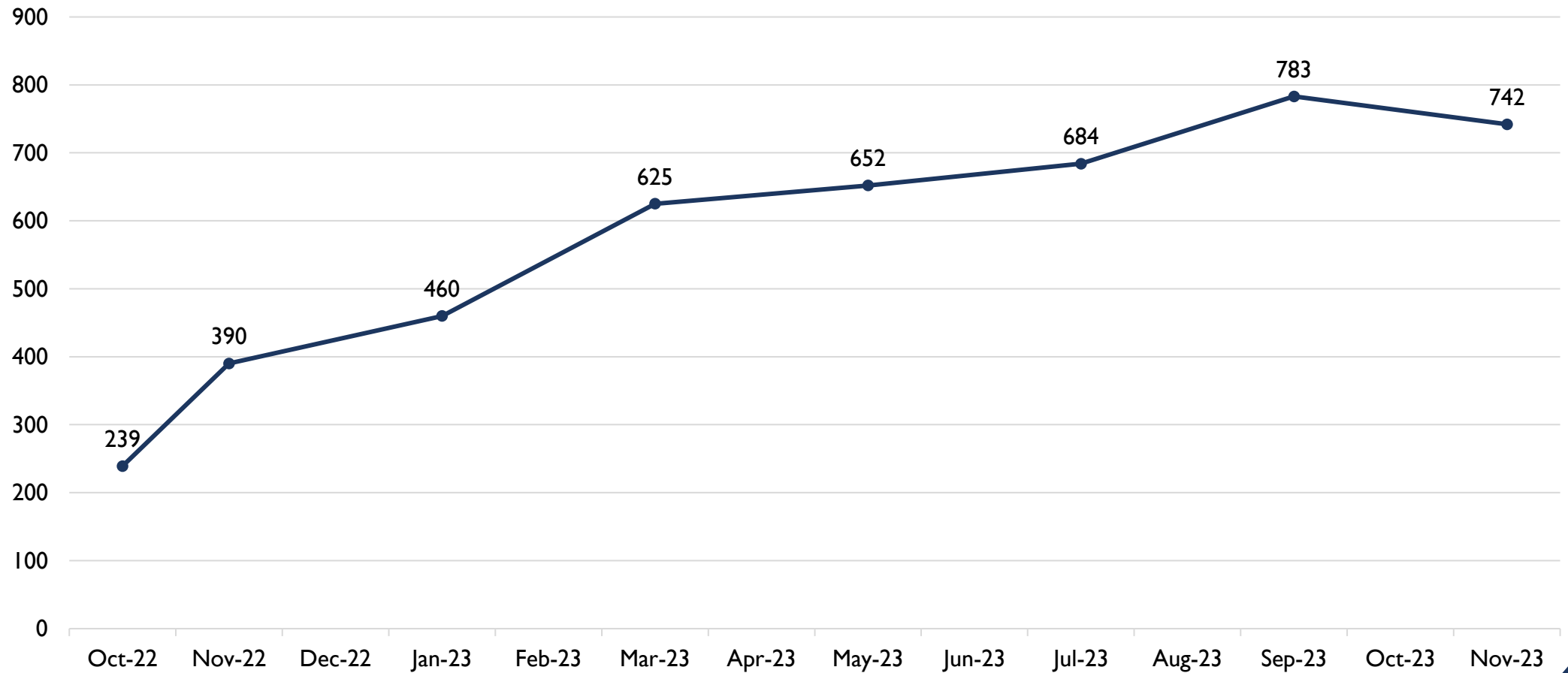
How Modern  
Technology  
Can Improve  
Access to  
High-Quality  
Child Care

*By Louise Stoney*

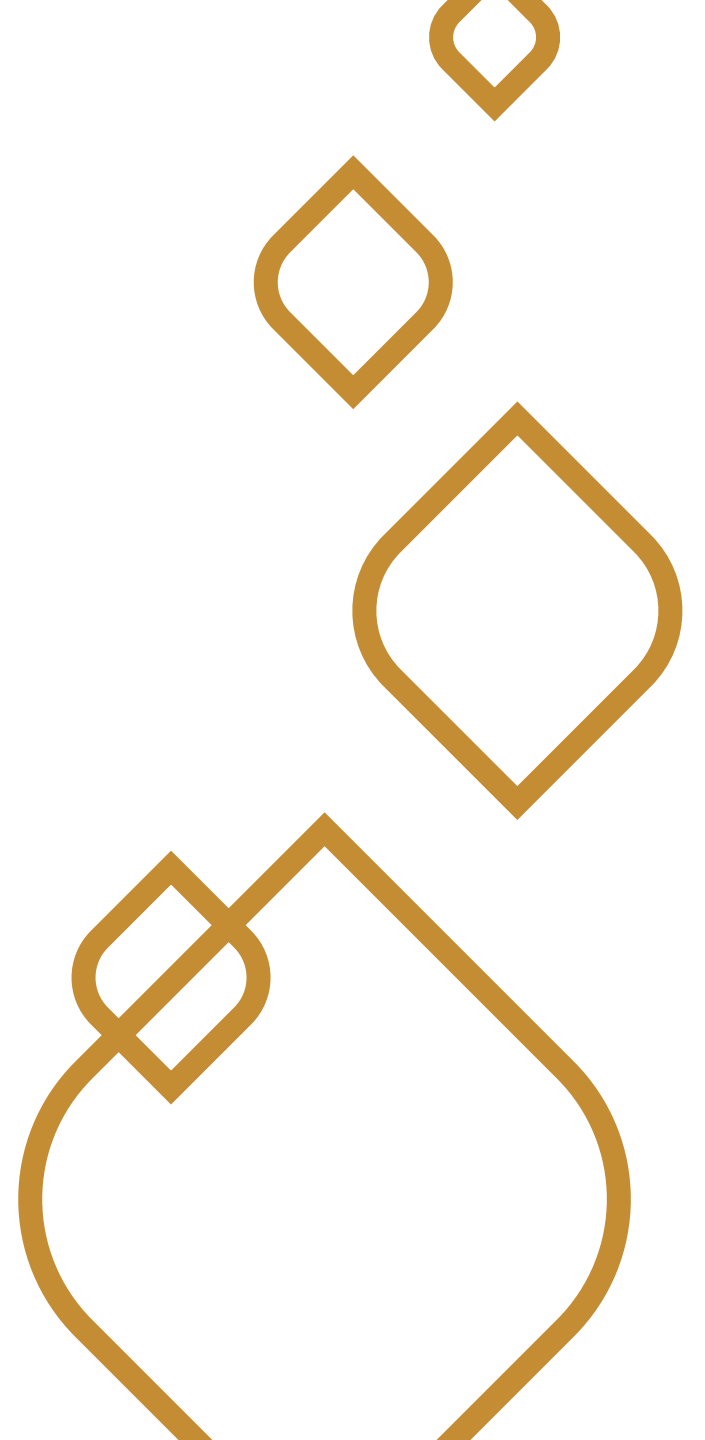
*July, 2023*



## State-Funded brightwheel and Playground licenses



# Upcoming Considerations





# Market Rate Survey

Federal Requirements HHS must complete:

- Market Rate Survey (MRS)=survey of what providers charge families
- Narrow Cost Analysis (NCA)=analysis of what it costs providers to deliver child care services to families
- Note: emerging national data would suggest NCA numbers will be greater than MRS numbers.

# 2023 Market Rate Survey Results

HHS has received 2023 Market Rate Survey (MRS) results

Federal legislation requires states to pay at the most current MRS

Legislative Action is required to increase CCA provider reimbursement rates from the 2020 MRS to the 2023 MRS

Currently paying at 65<sup>th</sup>-80<sup>th</sup> percentile of 2020 MRS

To go to 65<sup>th</sup>-80<sup>th</sup> percentile of 2023 MRS is approximately \$14.1 million annually

Full report will come out in May 2024





# Child Care Assistance (CCA) Pilot

1-year pilot allowing child care workforce to apply for CCA for their own children with no family income limit

- Over 1,400 children currently being served

Must be in a direct care position at the child care program

Must meet all other CCA eligibility requirements

# CCA Pilot Survey Responses

92%

of respondents were already in the child care workforce when they applied for the CCA Pilot

- 88% indicated that the Pilot encouraged their continued employment in child care
- 46% previously applied for CCA but were denied for being over income

37%

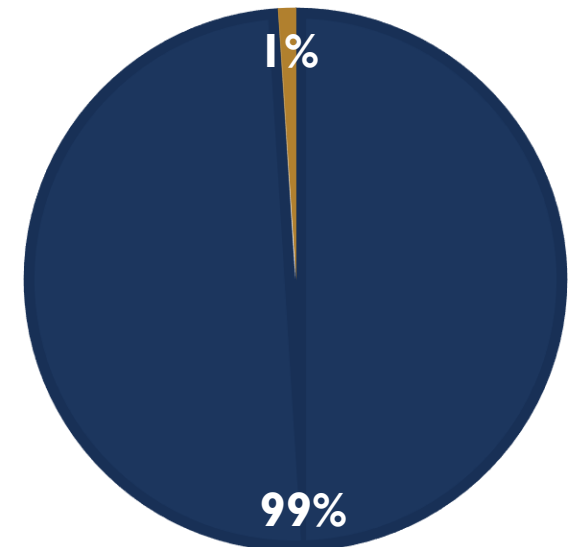
Indicated they were somewhat unlikely or very unlikely to remain in the child care workforce if the Pilot was not available

8%

Indicated they began working in child care as a result of the Pilot

## RECEIVED CCA

■ Stayed in child care ■ Works elsewhere



# Questions?

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