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
Child Care Team
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

Child Care Licensing

- 1,496 Centers
- 11 Inspectors

Registered Child Development Homes

- 2,034 Homes
- 8* Inspectors

Non-Registered CCA Paid Child Care Providers

- 84 Providers
- 8* Inspectors

*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

- **Total**: 23-Sep: 160524, 21-Sep: 134885
  - **Child Care Center**: 23-Sep: 137994, 21-Sep: 108115
  - **Child Development Home**: 23-Sep: 22100, 21-Sep: 26380
  - **Non Registered CCA**: 23-Sep: 430, 21-Sep: 390

Iowa’s Child Care System
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

<table>
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<tr>
<th>Year</th>
<th>Average Number of Children</th>
<th>Annual Cost</th>
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<td>SFY23</td>
<td>56</td>
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<tr>
<td>SFY24</td>
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<td>SFY25</td>
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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 50th-75th percentile to 65th-80th 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)

Iowa’s Child Care System
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: 227.5
- ARPA Discretionary: 142.3
- CRRSA: 94.9
- CARES: 31.9
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)
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.
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 65th-80th percentile of 2020 MRS.

To go to 65th-80th 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
Questions?

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