

State of Iowa Child Care

January 19, 2022

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Overview

Covered Topics

- ▶ HF 302: Graduated Phase Out updates
- ▶ Federal COVID-related funds for Child Care
- ▶ Governors Task Force Recommendations

House File 302

- ▶ Signed into law June 16, 2021
- ▶ Graduated Phase Out program
- ▶ Families who were previously eligible for the CCA program will be eligible under the following conditions:
 - Income is above 225.0% of the federal poverty level (FPL) but less than 250.0% FPL for basic care
 - Income is above 225.0% FPL but less than 275.0% FPL for special needs care

House File 302

- ▶ Family co-payments for the new program start at 33% of the cost of care and go up to 60% based upon income level

Table 1: Graduated Phaseout Rates

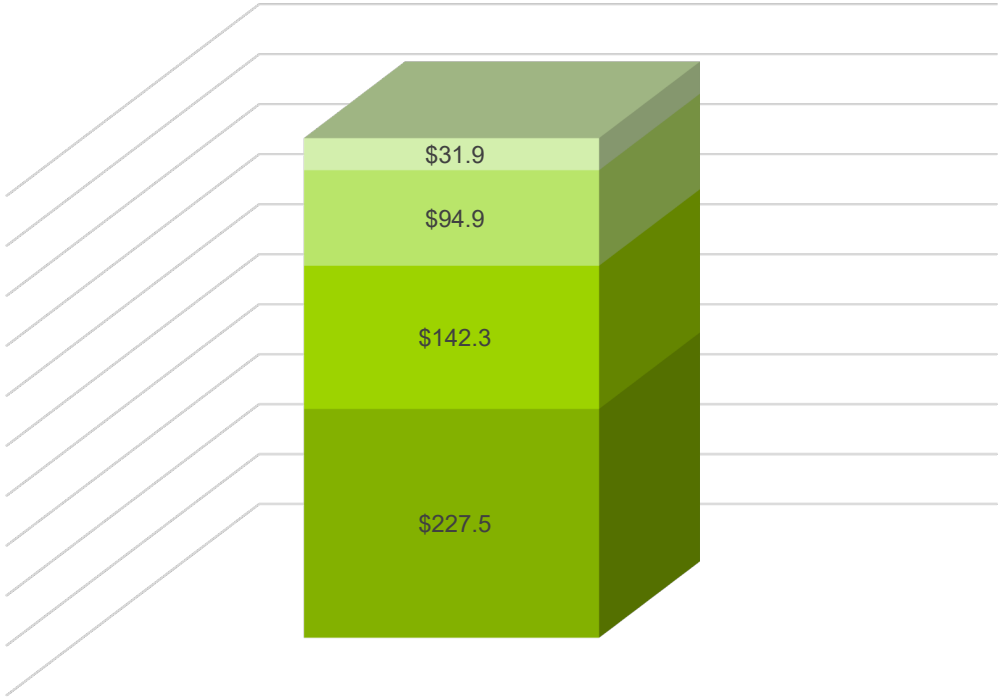
Family's Share of Cost of Care	Basic Care	Special Needs Care
33.0%	225.1% to 234.9%	225.1% to 244.9%
45.0%	235.0% to 244.9%	245.0% to 264.9%
60.0%	245.0% to 250.0%	265.0% to 275.0%

- ▶ Implement 7/1/2022

Federal Stimulus Funding

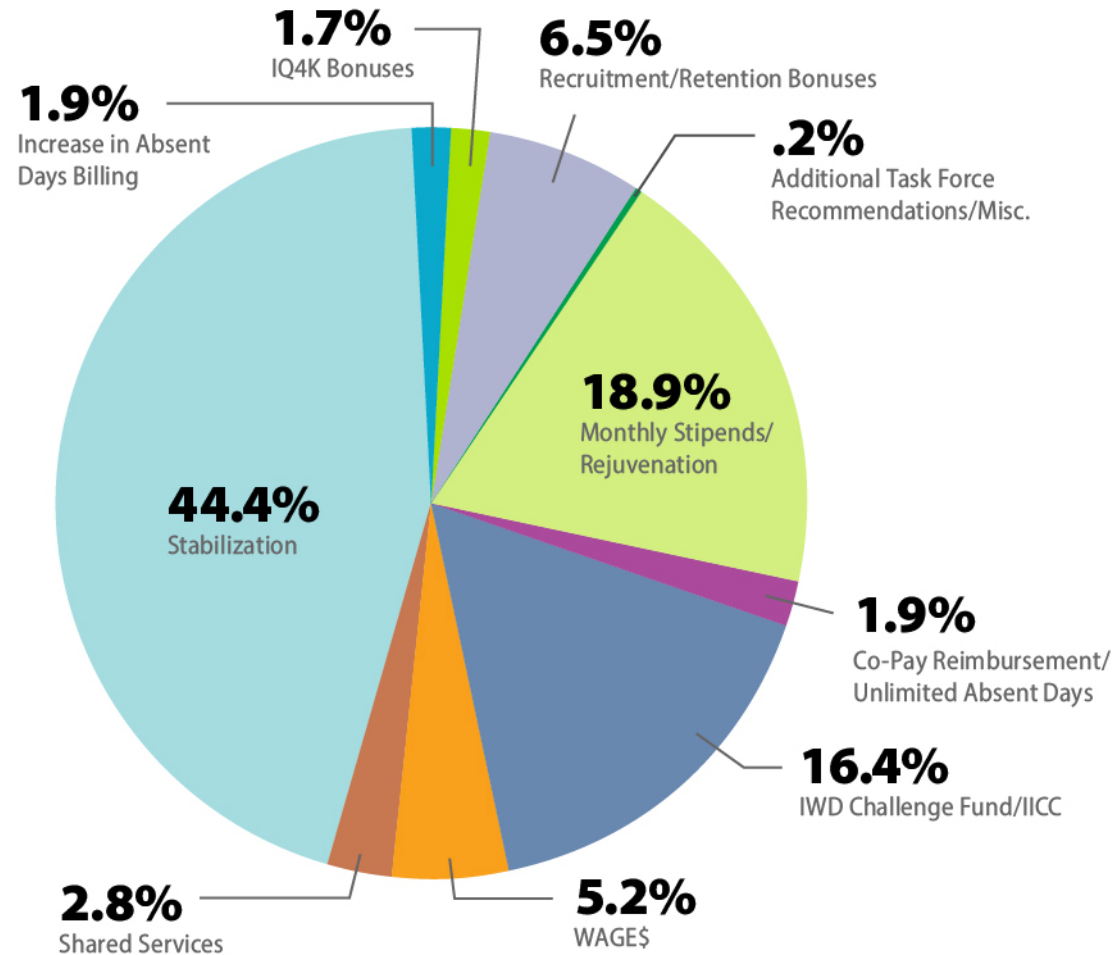
Federal Stimulus Funding for Child Care in Iowa

- CARES
- CRRSA
- ARPA Discretionary Funds
- ARPA Stabilization Funds



Funding in Millions

Budgeted Federal Spending



Non-Regulated Providers

- ▶ Non-profit, for profit, faith based child care
- ▶ Utilized Coronavirus Relief Funds (CARES Act)
- ▶ Expenses incurred between March 2020-August 2021
- ▶ Meals, PPE, cleaning supplies, staff wages above and beyond normal operations
- ▶ 33 applications were received and approved for a total request of \$3,021,727

Stabilization Funds

- ▶ Supports qualified child care providers with operational costs:
 - Must be a licensed child care center or a registered child development home
 - Must be open and providing child care services or temporarily closed due to reasons related to COVID-19
 - Anticipated re-opening date is required
- ▶ The program will be required to show one of the following:
 - Financial loss during the pandemic via tax documentation from 2019/2020 or 2020/2021;
 - Children on Child Care Assistance (CCA) make up 25% or more of total enrollment
- ▶ Applications will open mid-January 2022

Stabilization Funding Uses

Stabilization grant must be used for one of the following purposes:

- ▶ **Personnel costs:** including payroll, salaries or similar compensation for employees
- ▶ **Rent:** Including payment on any mortgage obligation, utilities, facility maintenance or improvements, or insurance
- ▶ **Health and Safety expenses:** Personal protective equipment, cleaning and sanitization supplies and services, or training and professional development related to health and safety practices

Governor's Task Force

- ▶ Governor Reynolds, Executive Order 8, March 10, 2021
- ▶ 100-day challenge
- ▶ Develop a comprehensive strategy to address the child care shortage and barriers to work in Iowa
- ▶ 51 meetings, working groups and town halls
- ▶ Representing business, non-profit, community organizations, providers, and local government.
- ▶ November 2021 release of Task Force Recommendations
- ▶ Recommendations were multi-faceted and included feedback from multiple states agencies and stakeholders

DHS Related Task Force Recommendations

- ▶ Increase number of absent days billed to CCA
- ▶ Improve QRS/IQ4K bonus structure
- ▶ IWD Child Care Challenge Fund Collaboration (Round 2)
- ▶ Continue to support statewide TEACH and WAGE\$
- ▶ Shared Services Project
- ▶ Recruitment and retention bonuses for child care program employees and operators
- ▶ Garden Grant Program
- ▶ Review staff-to-child ratios and reduce regulatory burden

Department of Management, *in partnership with Department of Human Services*

- ▶ Develop a shared services model that allows child care providers to access a statewide, web-based partnership platform for various business operations
- ▶ Launch an effort to improve financial sustainability of child care programs through expanded use of business technology (child care management software) and financial management coaching

Examples of Other Agency Taskforce Recommendations

- ▶ Iowa Economic Development Authority (IEDA)
 - Business Coordination
 - Issuing RFP with goal to award contract in January
- ▶ Iowa Department of Education
 - 2021 Competitive Blended Early Learning in Educational Foundations (BELIEF) Planning Grants
 - Funds for up to 10 districts to engage in planning towards blended early learning and child care models

Questions?