

CHILD CARE PROJECTIONS MEETING — DECEMBER 2016

Projections Workgroup. Staff from the Department of Management (DOM), the Department of Human Services (DHS), and the Fiscal Services Division of the Legislative Services Agency (LSA) met on December 20, 2016, to discuss the Child Care Assistance (CCA) Program estimated FY 2017 and FY 2018 expenditures. The Projections Workgroup is established in Iowa Code section [234.47](#) to discuss revenues and expenditures and agree on an estimate for the current and upcoming fiscal years.

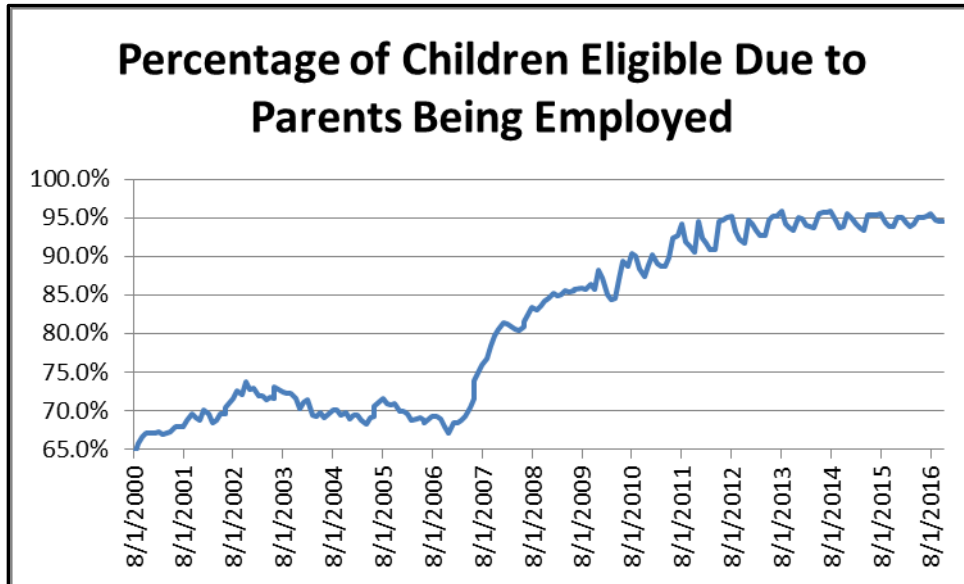
The [Child Care Assistance Program](#) provides subsidized child care for low-income families with working parents, parents gaining work skills, parents going to school, and parents unable to care for children for a limited time due to physical or mental illness. The following table is the current projected balance sheet.

	Actual FY 2016	Projected FY 2017	Projected FY 2018
Revenues			
Federal Funds Carried Forward	\$ 4,520,804	\$ 4,073,334	\$ 500,000
State General Fund Appropriation	41,408,668	36,389,561	36,389,561
Temporary Assistance for Needy Families	35,047,110	46,866,826	46,866,826
Child Care Development Fund	48,252,239	48,995,621	49,317,662
Total Revenues	\$ 129,228,821	\$ 136,325,342	\$ 133,074,049
Expenditures			
Total Child Care Assistance	\$ 101,571,629	\$ 110,470,450	\$ 116,148,629
Child Care MIS	416,262	755,122	643,123
Quality Rating System	936,811	1,082,977	1,056,676
Quality Activities & Other	6,449,892	6,553,840	8,124,442
Resource and Referral (Fed & State)	2,947,732	2,960,873	3,866,608
Early Childhood Iowa Grants	6,350,000	6,350,000	6,350,000
Legal Services, Printing & Postage	303,115	315,699	325,766
General Administrative Costs (Fed Share)	1,526,190	1,758,439	1,833,022
Field Operations and LAE (Fed Share)	4,653,856	5,290,644	5,538,102
Carry Forward for Federal Fiscal Year	4,073,334	500,000	500,000
Total Expenditures	\$ 129,228,821	\$ 136,038,044	\$ 144,386,368
Surplus / (Need)		\$ 287,298	\$ -11,312,319

Fiscal Year 2017. The FY 2017 appropriation is a decrease of \$5.0 million compared to the FY 2016 appropriation. Part of this was due to the estimated surplus and associated adjustments that were utilized for Medicaid in FY 2016, and part was due to the increase of \$11.8 million in federal Temporary Assistance for Needy Families (TANF) funding. Of that \$11.8 million increase, \$8.0 million was estimated to cover federally mandated changes to the program.

The consensus agreement for FY 2017 is an estimated surplus of \$287,000. Numbers of regular child care subsidy children and children eligible through the Protective Services component are beginning to

increase again on a monthly basis. The new CCA Plus component, an exit eligibility segment for families previously enrolled in the program that are now above the current eligibility threshold but below 85.0% of the State median income, is increasing at an average of 133 children per month. In November, the most recent month with complete data available, there were 581 children actively participating in the CCA Plus component who would have lost eligibility without this component. The following chart presents the percentage of children eligible for the Program due to their parents being employed.



Fiscal Year 2018. To varying degrees, forecasts are projecting increases in enrollment and average costs per child, arriving at a consensus-estimated need of \$11.3 million. This amount is based on current status quo funding of all appropriations. The amount of TANF funding available in FY 2018 will be determined by limitation of other TANF program needs and maintenance of effort funding requirements. All of this could further complicate the program deficit.

Next Meeting. The next Projections Workgroup meeting has not been scheduled at this time, but it will likely occur in March 2017.

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