

FISCAL UPDATE Article

Fiscal Services Division
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EARLY CHILDHOOD IOWA FUNDING SUBCOMMITTEE MEETING

Meeting. The Early Childhood Iowa (ECI) Funding Formula Subcommittee met on Wednesday, November 16, 2016, to review 14 new funding formula options for the Early Childhood Iowa Grant.

Review of Formula Options. During the discussion and review of funding formula options, the Subcommittee agreed that a formula that is driven by program eligibility and enrollment is likely to be more volatile over time, as federal or state eligibility requirements change. However, the Subcommittee also agreed that some volatility in year-to-year grant funding is acceptable, provided that changes in funding reflect changes in the demographics of a geographical region.

The draft funding formula options factored children ages 0-5 at 200% of the federal poverty level into the formula. The Subcommittee has decided to explore future formula options including children ages 0-5 at 100% and 185% of the federal poverty level. One member of the Subcommittee put forth the idea of a modified base that allows for the 0-5 population to be divided into three tiers based on population size. In this instance, the base amount of the appropriation going toward each ECI area would be based on the area's population.

The Subcommittee is also considering an exact dollar amount floor instead of a percentage-driven base for each ECI area.

Next Steps. The Subcommittee will review a new set of funding formula options. After the Subcommittee has selected a formula, the group will begin to discuss a phased-in approach to implementing the new funding formula. The Subcommittee is scheduled to meet again in early December 2016.

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