



SF 2251 – Child Care Assistance (LSB 5723SV)
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Fiscal Note Version – New

Description

Senate File 2251 amends three aspects of current program rules and eligibility requirements:

- This Bill extends eligibility to parents that are both employed part time and participating in academic or vocational training part time for a combination of at least 28 hours a week. Currently, parents may only do one or the other to be considered eligible.
- This Bill requires parents to renew their application for services at 12 months instead of every six months.
- This Bill requires the Department of Human Services (DHS) to develop a smart phone mobile application for applying for services.

Background

Child Care Assistance (CCA) helps pay for the care of a child while the parent or caretaker works or attends school. The CCA Program is available to the children of eligible parents with income at or below 145.0% of the Federal Poverty Level and are absent for a portion of the day due to employment of an average of 28 hours a week, or full-time participation in academic or vocational training, or PROMISE JOBS activities. The CCA may also be available for a limited period of time to the children of a parent looking for employment or when the parent is unable to care for a child due to hospitalization or outpatient treatment for physical or mental illness.

Parents apply for six months of service at time, but services are not capped after this period. After the first six-month period, parents are required to reapply to allow the DHS to renew another six months if the parents are eligible to continue services. If income, employment, or academic conditions change at any point and do not meet the CCA eligibility requirements, the parents are required to notify the DHS and will not continue to receive services.

To receive services, a parent must fill out an application form. If they have access to a printer, the parent can print an application form from the DHS website and return it to the DHS office in the county the services will be received.

Assumptions

Eligibility: The DHS estimates 115-160 families, or an estimated 206-289 children, will qualify to receive CCA services if eligibility is extended to parents completing a combination of part time work and participation in academic or vocational training.

Redetermination Policy: The federal Child Care and Development Block Grant Act that supplies CCA funding to Iowa does not prescribe a specific eligibility period for families receiving funded child care, nor does the Act address the frequency of, or need for, redetermining eligibility once it is established. Many states (22) currently review application and eligibility for CCA services every 12 months. A 2008 Colorado State Auditor report found that six-month redetermination and family reporting requirements were costly to administer and

burdensome on participants in the subsidy system. A Washington State analysis on the impact savings of implementing a 12-month redetermination policy found that there was no increase in program costs or reduced program costs per family and per child.

In the State of Iowa, families are required to report changes, such as employment or income, that impact their eligibility status between periods of redetermination. Failure to report can result in families losing their subsidy. Thus, due to current law, it is assumed that families will comply with current law and will no longer receive services if they become ineligible during the 12-month service period. Therefore, the proposed law change cannot be determined until future practice is analyzed or more information is available.

Mobile Application: Based on previous Department of Public Health (DPH) computer and mobile applications, developing and implementing the mobile application will cost \$30,000.

Fiscal Impact

SF 2251 is estimated to result in additional cost to the General Fund of \$3,217,296 for FY 2015. This includes:

- \$3,187,296 for the extended eligibility provision.
- \$30,000 for mobile application development and implementation.

Sources

Department of Human Services

Department of Public Health

U.S. Department of Health and Human Services Administration for Children and Families

National Council of State Legislatures

“Impacts of HB3141 on the Working Connections Child Care Program”, August 2011, Social and Economic Sciences Research Center, Washington State University

“Report to the State Auditor: Colorado Child Care Assistance Program Department of Human Services”, November 2008, Office of the State Auditor

The Urban Institute

/s/ Holly M. Lyons

February 26, 2014

The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
