



MINUTES

HOME-BASED CHILD CARE STUDY COMMITTEE

July 31, 2007

First Meeting

MEMBERS PRESENT:

Senator Keith Kreiman, Co-chairperson
Senator Staci Appel
Senator Daryl Beall
Senator Dave Mulder
Senator James A. Seymour

Representative Mary Mascher, Co-chairperson
Representative Mary Gaskill
Representative Dave Heaton
Representative Janet Petersen
Representative Jodi Tymeson

MEETING IN BRIEF

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- I. Procedural Business.
- II. National Conference of State Legislatures' Overview of State Approaches to Home-based Child Care.
- III. Overview of Department of Human Services' Regulation of Child Care.
- IV. Discussion of State Child Care Assistance Program.
- V. Description of Child Care Quality Rating System.
- VI. Discussion of Community Empowerment Initiative's Role in Home-based Child Care.
- VII. Role of Child Care Resource and Referral Agencies.
- VIII. Discussion of the Importance of Early Childhood Programs — Child and Family Policy Center.
- IX. Iowa Policy Project Report on Bridging the Gap Between Income and Needs.
- X. Materials Filed with the Legislative Services Agency.



Home-based Child Care Study Committee

I. Procedural Business.

Call to Order. The initial meeting of the Home-based Child Care Study Committee (the "Committee") was called to order at 10:10 a.m. on July 31, 2007, in the Supreme Court Chamber of the Statehouse. Temporary Co-chairpersons Senator Kreiman and Representative Mascher were elected permanent co-chairpersons of the Committee. The proposed rules were adopted by a voice vote. Upon conclusion of the presentations and discussion by the Committee, the meeting was adjourned at 4:40 p.m.

Luncheon recess. The Committee took a luncheon recess from 12:15 p.m. until 1:12 p.m.

Next meeting. The next meeting of the Committee was scheduled for October 10, 2007, from 5:00 p.m. to 9:00 p.m. in the Legislative Dining Room at the Statehouse. The Committee agreed to request authorization from leaders for a third meeting.

II. National Conference of State Legislatures' Overview of State Approaches to Home-based Child Care.

Ms. Steffanie Clothier, National Conference of State Legislatures (NCSL) Program Director of the Children and Families Program, summarized materials provided by NCSL and the National Child Care Information Center (NCCIC) and related approaches used in other states. She used a PowerPoint presentation with her testimony which was provided via telephone.

Family Child Care in General. Ms. Clothier stated that 1.4 million children in the United States are cared for by family child care providers (providers caring for two or more unrelated children in the provider's home), with wide ranges in the percentage of care provided in homes by state and region. She indicated that a nationwide concern for promoting safety and a recent interest in healthy child development and early learning is driving a new interest in home settings. Ms. Clothier stated that the three main challenges for home-based child care providers are lack of professional support and training, isolation, and insufficient earnings and benefits.

Ms. Clothier cited research showing that higher quality early care and education programs produce better outcomes for children and that states with more effective regulatory structures have a greater supply of higher quality programs. Child care quality research shows home settings are generally poor quality, with only 10 to 15 percent of such settings promoting healthy development and 35 to 40 percent of the settings providing infant care being inadequate or potentially harmful to the children's development.

In Iowa, according to child care subsidy program data, 56 percent of children are in family child care and 36 percent are in center care. Seventy-nine percent of the children are in regulated care settings and 20 percent are in settings that are not regulated (82 percent of which are in care with nonrelatives).

State Approaches. Ms. Clothier stated that states regulate family child care differently based primarily on the following factors: the number of children in care; the number of families who rely on the caregiver; and the amount of time spent with the caregiver. Almost half the states regulate when there are three or fewer children. Iowa regulates care at six children. Only five states set the



threshold higher than six children. Caregiver education and training requirements range from no preservice training to six, 15, or 24-30 hours. A few states require a child development associate (CDA) credential for small or large family child care homes.

Quality and Safety Factors. The National Association for the Education of Young Children recommends the following for assuring quality child care: regulation of any program providing care for children from two or more families; regulations should address group size and adult-to-child ratios; regulations should include preservice qualifications and in-service requirements; and the regulator caseload should be no more than 75 centers and large family homes, with a preference of no more than 50. Ms. Clothier indicated that almost half the states license child care provided to three children or fewer while Iowa requires registration when a provider cares for six or more children at one time.

Ms. Clothier stated that considerations for measuring quality in family child care are different than those for other types of child care. Experts suggest observation of caregiver interactions rather than common indicators such as provider education and ratios. Tools for such observation include the Observational Record of the Caregiving Environment, the Arnett Child-Caregiver Observational System, and the new Child Care Assessment Tool for Relatives.

States use several tools to help assure safety and quality of care. Most states require background checks for their child care subsidy programs. At least 32 states require state criminal record checks even for relatives and require a review of the history of abuse and neglect. Sixteen states require an FBI check (for criminal justice involvement in other states). Twenty states require checks on other family members, usually members over 18. Self-certification is used in 35 states, pursuant to which the caregiver completes and signs a statement that covers health and safety practices, appropriate discipline, or other issues. Some states use orientation and training approaches such as an orientation to rules, workshops on care topics, or care training. Six states require home inspection of varying degrees.

Approaches to Improving Quality. Ms. Clothier discussed various approaches to improving the quality of family child care, including accreditation, mentoring, family child care networks, tiered reimbursement based on quality, and training and scholarships. There are at least 20 states with current quality efforts. The most common involve training and professional development, with financial incentives to participate. Some offer materials and equipment (mailed or through home visits) or technical assistance (through field offices or home visits).

Ms. Clothier identified several challenges to regulating family child care and improving quality: the lack of research evaluating the effectiveness of quality improvement efforts; balancing strict regulations that may disqualify too many caregivers with more lax regulations that may put children at risk; and identifying a state's policy goals (e.g., reducing accidents, promoting school readiness etc.).

Discussion. Co-chairperson Kreiman asked about state requirements regarding training of providers, including high school-aged workers. Representative Petersen asked about background checks and federal standards regarding training. Representative Heaton inquired about the Kansas regulatory structure. Both Ms. Clothier and staff will provide follow-up information.



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III. Overview of Department of Human Services' Regulation of Child Care.

Regulatory Staffing and Capacity. Mr. Jeff Anderson, Department of Human Services (DHS) Bureau Chief, was joined by other DHS staff and local contractors in describing the regulatory structure for child care, subsidies for low-income families provided by the State Child Care Assistance (CCA) Program, and the recently implemented child care Quality Rating System (QRS). The DHS regulates 1,500 licensed child care centers and preschools and 5,373 registered child development homes with an overall capacity of 143,150 children. The number of unregistered providers is unknown. Twelve FTEs are assigned for regulation of licensed child care centers. Full-time staff are not assigned to the regulation of home-based child care as is the case for center-based child care. Instead, DHS field staff have a percentage of their time assigned to home-based child care regulatory activities. The caseload of each field staffer is approximately 155 licensed centers and 500 plus registered child development homes.

Registration Requirements and Categorization. Mr. Anderson discussed the requirements for registered child development homes (providers who provide regular care to six or more children at any one time and other providers voluntarily registering): an application for home-based care; self-certification that the minimum requirements are and will be complied with in all areas of the child development home operation; and state criminal and child abuse record checks for all adults in the home (no FBI check). In accordance with state law, unregistered child care homes receiving state child care assistance payments for subsidized child care are subject to the same record checks as registered providers. A registration must be renewed every two years.

Training requirements for registered homes are mandatory child abuse reporter training and certification in infant and child first aid and CPR within the first three months; 12 hours of child care training, including two hours of health and safety, within the first 12 months; and 12 hours of child care training in the second year, with six of those received in a sponsored group setting. Other registration requirements include a prohibition on the use of corporal punishment, allowing unlimited parent or guardian visitation during care, regular meals and snacks, and maintenance of children files including a statement of health and immunizations and parental consent for off-site activities.

Child development homes are categorized into "A", "B", and "C" categories, with the "C" category denoting the greatest degree of provider qualifications and physical capacity. Approximately 20 percent of providers receive a spot-check visit from DHS staff, typically in response to a complaint. Regular spot checks are announced, but complaint-based checks are not. The biggest issues with child development homes are with the physical environment of the home and safety.

Adverse Actions. Adverse actions against child development homes include a letter of noncompliance sent to the provider, follow-up visits, and denial or revocation of a certificate of registration. Assistance can be offered in meeting home safety requirements. There are no fines or other monetary sanctions for compliance issues. Parents are notified of a revocation and a person with a revoked registration cannot own or operate a child care business for 12 months.

Incentives to Register. The incentives for registering a child development home include: a higher subsidized child care assistance rate; local support (the Community Empowerment Initiative); home consultants (Child Care Resource and Referral); eligibility for the federal food



program administered by the Department of Education; the ability to apply for a child care QRS rating; T.E.A.C.H. Iowa scholarships; and business training and kits.

Questions/Comments. Representative Petersen indicated a need for public online access to information regarding child care complaints and revocations similar to what is available for nursing homes. Co-chairperson Mascher raised three issues of concern: the qualifications of persons conducting child care inspections; a recognition that child care consultants are not regulatory, but a support network; and the need for information regarding unregistered providers. A request was also made for a cost estimate to require FBI checks for all child development home providers.

IV. Discussion of State Child Care Assistance Program.

The Program and Eligibility. This presentation was made by DHS staff Ms. Ann Wiebers, Administrator, Division of Financial, Health, and Work Supports, Mr. Jim Krogman, Administrator, Field Operations Support Unit, and Mr. Mark Adams, Program Manager.

The CCA Program provides subsidies for child care provided to children from families with low incomes whose parents are engaged in work and training programs, seeking employment, employed with low compensation, or are absent or otherwise unable to provide care due to a physical or mental health reason. A family receiving assistance other than assistance based on receipt of Family Investment Program (FIP) assistance or because of protective needs may be responsible for a co-pay for such child care. In fiscal year 2007-2008, \$112 million in state and federal funding is budgeted for the program which provides subsidies on a sliding scale based upon family income for care provided to 41,000 children per year.

Providers and Payment. Families may choose any type of child care provider, but the provider must be approved by DHS before payments can be made. To be approved, the provider must be a licensed child care center, a registered child development home, or a nonregistered child care home who has certified compliance with minimum health and safety requirements and who has passed the required criminal background and abuse checks. Providers must sign a CCA Program Provider Agreement before payment can be made. Based upon law enacted in the 2007 Legislative Session, providers can now elect payment twice per month instead of once per month. Initial information indicates DHS has greatly improved the payment system. Capacity for an electronic payment card should be available next.

Questions/Comments. Representative Heaton requested information regarding the fiscal impact of providing assistance based on hours of care versus units of care. Representative Petersen requested information regarding the fiscal impact of switching to a card-based system that credits the parent who would then pay the provider. There was also a question regarding federal restrictions that would prevent Iowa from applying minimum training standards for those receiving CCA Program payments.

V. Description of Child Care Quality Rating System.

The voluntary child care QRS began in February 2006 and was developed in partnership with the State Child Care Advisory Council, the Community Empowerment Initiative, child care providers,



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and with input from the public. Five FTEs are allocated for QRS and the state contracts with Child Care Resource and Referral (CCR&R) for QRS services.

Ms. Mary Janssen from CCR&R in Waterloo explained how the agency staff works with registered child development homes and licensed centers to support QRS. There are five levels of child care facility ratings supported by child care home and nurse consultants and other specialists. Levels 1 and 2 have certain basic requirements and levels 3 through 5 are based on points for health and safety, environment, family and community partnerships, professional development, and leadership and administration.

The child care home and nurse consultants and other specialists work closely with providers to improve quality rating scores, including by providing home visits and trainings. Since initial implementation in February 2006, 458 homes have received a quality rating. Providers receive a cash incentive for receiving a rating and cash grants are available for needed physical improvements.

Questions/Comments. Representative Heaton requested information identifying the number of QRS-rated providers by county and regarding the availability of QRS support staff in each county. Representative Heaton also requested that the book outlining the requirements for the five QRS levels be presented at the next meeting of the Committee. Another request was made for information regarding the amount of funding for QRS, including a breakdown of the federal/state split. Senator Appel commented on the modest number of state staff and inquired about the responsibilities of those staff persons to process ratings, incentives, and grants.

VI. Discussion of Community Empowerment Initiative's Role in Home-based Child Care.

Ms. Shanell Wagler, State Empowerment Facilitator, was joined by Ms. Diane Foss and Ms. Amanda McCandless, from Harrison, Monona, and Shelby Counties, and Ms. Chris Kivett-Berry and Ms. Kristi Tisl, from Linn County, in describing local efforts to support child care quality in their areas. The presenters discussed the variety of services and programs provided by local empowerment boards, including child care development specialists and child care nurse consultants, child development home registration assistance, CCA Program assistance, Child and Adult Care Food Program participation assistance, education and assistance regarding QRS ratings, resource centers, health and safety grants, child care and education training (including ChildNet training), business practice support, and transportation assistance. Members of the Committee discussed at length with these presenters the strengths and weaknesses of the current system. Several of the presenters indicated a need for more child care nurse consultants for home visits.

Questions/Comments. Representative Petersen raised the following issues of concern: the eligibility of stay-at-home parents for services provided through local empowerment boards; restrictions on animals in child development homes; and liability insurance requirements for child development homes.



VII. Role of Child Care Resource and Referral Agencies.

Ms. Cathy Wheatcraft, Director, CCR&R of Central Iowa, and Ms. MariLynn Pierce, CCR&R of Northeast Iowa, provided an overview of CCR&R's role in the system and recommendations and options for changing the overall system. There are five CCR&R agencies under contract with DHS to provide resource and referral services to parents, child care providers, and communities. CCR&R's goal for service delivery is statewide consistency, coordinated regionally, and delivered locally.

Services. The CCR&R's services for provider professional development include a shift from training to education, a range of education services from one-time workshops to series training, and an emphasis on higher education (including T.E.A.C.H. Iowa scholarships). Services include training regarding preservice requirements, business practices, the Program for Infant and Toddler Care, Every Child Reads, environmental rating scales, and QRS assistance.

Recommendations. Ms. Pierce made several recommendations for improvement of the child care regulatory system. Her recommendations for minimum health and safety requirements include: requiring regulation of all providers caring for three or more unrelated children on a regular basis for a fee; requiring a preregistration site visit for all child development home registration applicants; requiring annual site visits for every registered provider, requiring 40 hours of preservice training for all regulated child care providers; increasing required annual training hours to 24; and linking child care regulatory requirements to Iowa's early learning standards. Ms. Pierce's recommendations for quality improvements include: increasing funding for CCR&R-employed child care home consultants (with a goal of one consultant for every 75 registered homes); clearly delineating the roles of DHS regulatory staff and CCR&R home consultation staff; adequate preservice training requirements and availability; requiring annual training that is aligned with the competencies outlined in the CDA credential, increasing funding to strengthen the cooperative work of DHS and CCR&R regarding QRS, and creating a state-recognized position of "Child Care Inclusion Specialist", with funding sufficient for five FTEs (one position per CCR&R region).

VIII. Discussion of the Importance of Early Childhood Programs — Child and Family Policy Center.

Ms. Sheila Hansen and Ms. Tiffany Smith, from the Child and Family Policy Center in Des Moines, discussed the importance of quality early childhood programs in promoting the healthy development of children and identified the financial aspects affecting parents. Policy considerations offered include: increasing the basic income eligibility for the CCA Program from 145 to 200 percent of the federal poverty level; increasing CCA Program reimbursement to the current market rate; supporting family, friend, and neighbor child care; and supporting the recently enacted voluntary preschool program for four-year-old children. Ms. Hansen recommended the Committee review the report and recommendations of the Midwest Child Care Consortium on Iowa Child Care Characteristics and Quality (February 2003). This material was distributed following the meeting at the request of the co-chairpersons.



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IX. Iowa Policy Project Report on Bridging the Gap Between Income and Needs.

Ms. Kristi Lohmeier, from the Iowa Policy Project in Mount Vernon, discussed a recently issued report titled "Bridging the Gaps in Iowa" relating to working families not having sufficient resources to meet their needs and obligations. She highlighted the report findings that relate to child care; that Iowa is more restrictive on income eligibility for CCA Program than all but nine other states and over half of low-income Iowans remain below a basic family budget even with work supports such as child care subsidies.

X. Materials Filed With the Legislative Services Agency.

The following materials listed were distributed at or in connection with the meeting and are filed with the Legislative Services Agency. The materials may be accessed from the <Additional Information> link on the Committee's internet page:

<http://www.legis.state.ia.us/aspx/Committees/Committee.aspx?id=218>

- 8/2/2007 - 01a Midwest Child Care Consortium Research on IA Child Care Characteristics and Quality - Executive Summary
- 8/2/2007 - 01b Midwest Child Care Consortium Research on IA Child Care Characteristics and Quality - Recommendations Only
- 7/31/2007 - 01 Background Information Memo, John Pollak, LSA Legal Services
- 7/31/2007 - 01a NCSL Presentation Slides
- 7/31/2007 - 01b Institute for Women's Policy Paper (Executive Summary) on Local & State Strategies to Improve the Quality of Child Care
- 7/31/2007 - 01c Research Paper, Supporting Family, Friend and Neighbor Caregivers: Findings from a Survey of State Policies, Institute for a Child Care Continuum
- 7/31/2007 - 02 Information response e-mail from National Child Care Information Center (NCCIC)
- 7/31/2007 - 03 Iowa Child Care Licensing Profile Excerpt from 2005 National Child Care Survey
- 7/31/2007 - 04 National Association of Child Care Resource & Referral Agencies (NACCRRA) 2007 Iowa Profile and Ranking
- 7/31/2007 - 05 NCCIC Paper - Impact of Increased Licensing Regulations on the Quality, Quantity, and Cost of Child Care
- 7/31/2007 - 06 NCCIC family child care table and definitions
- 7/31/2007 - 07 NCCIC & National Association for Regulatory Administration 2005 National Child Care Survey Executive Summary
- 7/31/2007 - 08 National Association on the Education of Young Children Position Paper on Licensing and Public Regulation of Early Childhood Programs



- 7/31/2007 - 09 Research Paper: Measuring Quality in Family, Friend, and Neighbor Child Care, National Center for Children in Poverty
- 7/31/2007 - 10 Child Care Bureau Bulletin: Systematic Approaches to Improving Quality of Care - QRS Gains Ground Across the Nation
- 7/31/2007 - 11 DHS - Presentation Slides
- 7/31/2007 - 11a DHS Child Care Quality Rating System (QRS) Brochure
- 7/31/2007 - 11b Presentation Outline - Mary Janssen, QRS Specialist, Waterloo
- 7/31/2007 - 12a DHS - State Child Care Assistance Program - DHS forms for providers
- 7/31/2007 - 12b Issue Review: Child Care Assistance Program, Lisa Burk, LSA Fiscal Services January 2007
- 7/31/2007 - 13 DHS Child Development Home Policy Manual
- 7/31/2007 - 14 DHS - Parent Guide to Child Development Home Registration
- 7/31/2007 - 15 DHS - Child Development Home Provider Packet - application, check list, and other forms
- 7/31/2007 - 16a Materials distributed by MariLynn Pierce, Child Care Resource and Referral Agency, Region 2 in Waterloo
- 7/31/2007 - 16b Materials Distributed by Cathy Wheatcraft, Child Care Resource and Referral Agency, Region 4 in Des Moines
- 7/31/2007 - 17 Child and Family Policy Center, Every Child Counts, Presentation Slides
- 7/31/2007 - 18 Policy Project Report: Bridging the Gap in Iowa, The Iowa Policy Project, June 2007
- 7/31/2007 - 18a Iowa Policy Project - presentation slides
- 7/31/2007 - 19 HF 922 and amendments - 2007 legislation before Iowa House of Representatives
- 7/31/2007 - 20a State Empowerment Staff, Shanell Wagler - Materials Distributed
- 7/31/2007 - 20b Harrison, Monona, Shelby County Empowerment Board - Home-based Child Care, Diane Foss
- 7/31/2007 - 20c Linn County Empowerment, Hawkeye Area CAP - PACES Program, Kristi Tisl

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