



# MINUTES

## Home-based Child Care Study Committee

November 21, 2007

### 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 Jodi Tymeson

## MEETING IN BRIEF

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- I. Procedural Business
- II. Early Childhood Iowa Policy Brief
- III. AFSCME and Home Child Care Providers
- IV. Health Child Care Iowa
- V. Legislative Service Agency — Fiscal Services Division
- VI. Department of Human Services — Health Insurance
- VII. Recommendations
- VIII. Materials Filed With the Legislative Services Agency



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### I. Procedural Business

The third and final meeting of the Home-based Child Care Study Committee was called to order at 10:11 a.m. on November 21, 2007, in Room 103 of the Statehouse. The minutes of the October 10, 2007, meeting of the Committee were approved. The meeting was adjourned at 1:55 p.m.

### II. Early Childhood Iowa Policy Brief

**Ms. Alicia Lewis, Children and Families of Iowa, Inc.** Ms. Lewis presented a policy brief about Early Childhood Iowa Quality Services and Programs. A copy of the brief is available at the Committee's Internet site. The brief lists areas of agreement among parents, providers, policymakers, and researchers concerning nine aspects of Iowa's child care system involving needs, shortcomings, and quality; identifies what is known about each aspect; and indicates what needs to be done to address each aspect according to the subcommittee.

Some of the issues highlighted in the policy brief include:

- Sixty-one percent of Iowa's children ages birth to 5 spend some time in child care.
- Only 20 percent of registered child care provider homes are inspected each year.
- Iowa's child care is generally mediocre to poor, according to the Midwest Child Care Study (2003).
- Iowa was one of only four states with no licensing system for family child care providers, according to the Midwest Child Care Study (2003).
- Family child care in Iowa was significantly worse than in Kansas, Missouri, and Nebraska; and providers in Iowa earned less and had less training than counterparts in those states, according to the Midwest Child Care Study (2003).
- Unregistered family child care providers do not receive information about health and safety issues and alerts, communicable disease outbreaks, and resources for children.

Ms. Lewis was asked by the Committee to prioritize the top three areas where legislative action would be the most effective. In response, Ms. Lewis suggested one licensure system for all child care providers, including child care centers and home-based care providers; a database of all child care providers for public health and emergency management officials for notification purposes; and increasing on-site inspections by the Department of Human Services (DHS), which would require more staff.

**Discussion.** Senator Mulder asked why only 20 percent of child care homes are being inspected each year. Ms. Lewis replied that there are not enough staff to meet the needs of the health and child care system.

### III. AFSCME and Home Child Care Providers

**Ms. Robin Clark-Bennett, American Federation of State, County, and Municipal Employees (AFSCME) Local Council 61.** Ms. Clark-Bennett introduced three home child care providers who are AFSCME members from the Des Moines area.



**Ms. Kay Strahorn, Child Development Home Provider from Urbandale.** Ms. Strahorn addressed the Committee about her experiences and recommendations for licensing and registration. Ms. Strahorn told the Committee that mandatory registration is the key to getting inspection standards. Ms. Strahorn stated that in the almost three years she has been providing home child care she has never been officially inspected by DHS. She has earned a four-star rating out of a possible five stars in the Quality Rating System (QRS), and has taken advantage of the resources that registering has provided to bring in child care professionals and related professionals to improve the quality of care she provides — all through DHS. She told the Committee that quality-improvement programs need to be mandatory because unless providers are proactive, there is no reason for these resources to be accessed. Ms. Strahorn stated that if the programs were mandatory, more providers would know about and use them and therefore kids would be in safer environments — if only because providers would be trained in CPR and first aid.

Ms. Strahorn said that currently the time and money it takes to take advantage of quality improvement programs is daunting. The few grants available do not cover the costs. Ms. Strahorn stated that she receives only \$400 a year in grants for her commitment to quality child care. She suggested incentives for home child care providers such as access to state health benefits, access to Iowa Public Employees' Retirement System (IPERS) pension benefits, or giving credits to be used for benefits in the state system.

Ms. Strahorn stressed two benefits she has found as a home child care provider: She has been able to stay at home with her own children, and her family has not had to pay for child care. However, looking ahead when her children enter school full-time, she is not sure what the benefit or incentive will be to stay in the home child care business. Financially, it will no longer be as beneficial an enterprise.

**Ms. Terry LaBelle, Child Development Home Provider.** Ms. LaBelle told the Committee that she has been taking children into her home for more than 32 years. Ms. LaBelle stated that she does not participate in the QRS because she does not believe it benefits her and she would have to pay taxes on any grants that she received to assist with the program.

Ms. LaBelle told the Committee that in her area, a group of home child care providers got together and went through the DHS checklist. The group of providers are passionate about registration and believe it is good for the children. The providers work between 60 to 70 hours a week. Ms. LaBelle compared Iowa with four other states' standards. She said that Iowa has a good set of standards, but that the checklist needs to be more specific about some of the requirements. For example, the requirement for a first-aid kit: What should be included in the first-aid kit? Is it just bandages or does it have to be more? Ms. LaBelle also made the following observations about the DHS requirements checklist: safety standards are not always realistic for real-world situations (i.e., there are no child gates big enough to fit across wide stairways); some requirements are open to broad interpretation (i.e., what qualifies as a busy street?); some regulations need more common sense (i.e., who really gets a sewer test done?); there is confusion about terms and forms (i.e., what do "careful supervision" and "consistent, dependable care" mean, and who completes the statement of health for infants and preschoolers?); and who does a home child care provider talk to about questions and issues with the checklist?



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Ms. LaBelle also stated that providers should have access to their criminal history checks that DHS has done. Ms. LaBelle said there are serious issues facing providers who want to offer overnight care and care during the weekends and on holidays for parents who have to work. There are discrepancies and issues with the requirements of care that put many providers at odds with regulations, but she argues in reality they are providing quality care.

**Ms. Kathleen Brown, Child Development Home Provider.** Ms. Brown shared with the Committee what she believes to be the feelings of many unregistered providers. Ms. Brown, a registered provider, stated that she believes that every child deserves a registered provider and a provider that meets some standards. She stated that providers consider themselves professionals and so must meet regulations set by the state. She said that parents believe their children are learning and are being loved when they are with providers, so providers need to be trained about how to do these things right.

Ms. Brown said there are three things she learned from training about children with special needs: secure attachment, insecure attachment, and avoidance. Before training, she said, she thought that to hold a child who was crying was spoiling the child, but she was wrong. Now she knows how to determine what the child needs — what kind of attachment issue the child is having and how to help that child and when to hold that child. Ms. Brown said that there are many special needs children in home child care, so there needs to be training for providers about how to identify these children and how to help them.

Ms. Brown said that she sees these problems and now looks back and realizes that she did not know what to do about these children because she did not have the training. If she had known then what she knows now, she could have helped the parents and made a difference and assisted with those children's development. She urged the Committee to bring in more professionals and get more assistance to providers. She urged the Committee to make registration mandatory to help prevent kids from falling through the cracks and make providers get training.

**Discussion.** Senator Beall asked if home child care providers are equipped to take a child with special needs for a short time. Ms. Brown said yes and that training to do so should be included because a provider does not know what needs a child brings. Then when a parent tells a provider about a child's behavior, a provider can recognize it and handle it. Providers can and have taken these children on short notice because such children are taken out of school because they are not acting appropriately. Providers can help with that. Ms. LaBelle said there is great demand for respite care and special needs care. She has not been allowed to take care of these children because she has not had this specific training. This type of care pays better than regular home child care, but it is not a predictable source of income.

Senator Seymour commented that he was impressed by the work that Ms. Strahorn had put into her business and the visits by professionals. However, parents have the responsibility to look after the safety of their children — not the state. He said he knows that child care is needed, but he is concerned that a new bureaucracy was going to be created. He commented that providers are working for \$2 an hour, and he wants funding to increase that. He stated that he supports licensing and background checks. But because this is a discussion of small businesses — the basis of Iowa's economy — he wants providers to stay in business, and not be prohibited by the state.



Representative Tymeson commented that her main concern is child safety and whether the mandatory regulations that AFSCME is advocating will help. For example, how will these regulations help a grandmother who has raised four kids and helped raise eight grandkids. Ms. LaBelle said that if someone is serious about being a professional child care provider, that person should take the first step and register. It is about sharing ideas and learning more. Registering prevents complacency and benefits the kids. Registration needs to be welcoming — there needs to be support from DHS, which needs to be courteous, polite, and respectful, and there needs to be more common sense in the regulations. For example, right now Ms. LaBelle says she could have problems with DHS standards because she gives 24-hour care to children. The regulations about proper supervision are open to interpretation. If Iowa looked at how other states fixed this kind of problem and what has worked, there are easy ways to fix it here as well.

Representative Tymeson asked what standards an inspector uses during an inspection and whether the inspectors have been trained in child development and understand child care. Ms. LaBelle said that the inspectors use the DHS checklist, which can be open to interpretation. Ms. Strahorn said the professionals that have visited her home have had lots of training and expertise in child development, but maybe not in home child care. Ms. Strahorn said that some of these professionals visited her home as often as three times a year, not so much as to inspect as to offer assistance and guidance.

Representative Tymeson asked if QRS is user-friendly. Ms. Strahorn replied that for her it was user-friendly. She stated that she has gotten stuck on some of the health and safety points and the child care nurse consultant is great, but that some things in the program are a bit nitpicky and overlapping, which makes it hard to work through the program.

Ms. Clark-Bennett commented that the DHS checklist is a good list according to the providers — it is more complete than some states — but it needs some adjustments. She stated that as a state, Iowa can regulate behaviors and the environments involved when someone is paid to care for a child versus not being able to regulate the behaviors of a parent at home with their own child, if that parent, for example, chooses to smoke. Usually providers who register realize there are many more resources available to them through registration and yet it is voluntary. The state could have much better providers if registration or licensing is made mandatory.

Co-chairperson Kreiman asked about how there could be better coordination of agencies because there should not be a duplication of state agency efforts or have procedures take time away from children for repetitive inspections. Ms. LaBelle said that DHS has a copy of every certificate that she has earned and that DHS is the central hub of everything related to child care.

Co-chairperson Kreiman asked what the registered child development home providers believe are the impediments for other providers to become registered. Ms. Brown said that she knows providers who simply do not wish to have their homes be inspected by anyone and do not want to go back to school for continuing education. She added that many providers do not want someone controlling their business, but that the state should not give up. She said that she and others have brought unregistered providers into trainings and these providers have become registered and gone on to get more training. Ms. LaBelle added that there is nothing that requires a provider to be registered. Ms. Strahorn said that she knows of a provider who chose not to register because her



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husband had a misdemeanor charge on his record from the 1990s for punching someone and that would have become an issue when record checks were made.

At the invitation of Co-chairperson Mascher, Ms. Lou Ann Mowrey and Ms. Jeanie Running, Directors of the Family Resource Center in Carroll stated that they believe it would benefit children and providers if rules that do not make any sense were eliminated from the checklist and registration system.

Co-chairperson Mascher asked Ms. Strahorn if she thought there is a sensible way to accomplish overall inspection and ensure quality child care. Ms. Strahorn replied that she had not considered an overall strategy to fixing the problems, but suggested Early Childhood Iowa because she believed the initiative is working to create a central hub in Iowa with the Child Care Resource and Referral (CCR&R) agencies. She mentioned that she has been very grateful for the multitude of resources available to her.

Senator Beall asked if the numbers of registered providers and nonregistered providers are stable. Mr. Jeff Anderson, Administrator of DHS child care programs, said that at the end of each year the number of registered providers is between 5,000 and 5,500, and that there is about 1,500 in turnover each year, about 25 percent. Ms. Clark-Bennett added that there are not large numbers of registered providers becoming unregistered. But there are many registered providers graduating out of the profession, and that unregistered providers do become registered. Ms. Mowrey said the Community Empowerment Initiative has done a lot in counties to assist with child care, and there are many different and unique projects around the state.

### IV. Public Health and Child Care in Iowa

**Overview.** Ms. Sally Clausen, Department of Public Health (DPH), explained to the Committee that a child care nurse consultant is an Iowa licensed registered nurse who completes a national curriculum regarding the health and safety of early childhood care and education programs. The child care nurse consultant (CCNC) travels to early childhood care and education sites to assist providers with health and safety aspects of the business. Iowa has 58 local CCNCs (32.54 full-time equivalent employees (FTEs)) and four regional CCNCs (4.00 FTEs). Each CCNC is affiliated with a public health child health center and every Iowa county has a CCNC available.

**Goals.** In 1996, Iowa adopted the five national health and safety goals for early childhood care and education programs:

1. Safe, healthy early childhood care and education environments for all children, including those with special health needs.
2. Up-to-date and easily accessible childhood immunizations.
3. Access to quality health, oral/dental, and developmental screening and comprehensive follow-up for children.
4. Health and mental health consultation, support, and education for families, children, and early childhood care and education providers.



5. Health, nutrition, and safety education for families, children, and early childhood care and education providers.

**System Operation.** Ms. Clausen described how the CCNC system operates and discussed the blended funding streams that support it, including the public school funding for preschools, DHS, and community empowerment.

Ms. Clausen said that CCNCs form partnerships with the child care community. Children spend long hours in child care, so the issues that providers face are daily preventive health activities. The CCNCs bring the resources of public health to the child care community. The CCNCs have no regulatory authority, unless there is an epidemic and the state epidemiologist makes a declaration, so CCNCs are not making inspections, and they must be invited in by the providers.

Ms. Clausen said that an on-site visit usually occurs when the provider calls for an appointment for a specific problem. For example, a child is having diarrhea or the provider is seeking advice for a child with special needs, such as diabetes, asthma, or has an allergy that requires the presence of an EpiPen (an auto injection device). Ms. Clausen said that the most frequent request for assistance is for infectious disease and prevention and control, the second most common is injury prevention and hazard identification, the third most common is for assistance with a child with special needs (which is handled on a case-by-case basis), and the fourth most common request is for environmental health risks, such as sewer issues or well water questions.

Ms. Clausen stated that the CCNC will always bring care and resources to the child and the care provider. If the family does not have the money to pay, CCNCs will facilitate the situation to see if the family is eligible for Medicaid or hawk-i, and there are funds available to assist families as well.

In 2007, CCNCs completed 22,000 requests for assistance; CCNCs assist registered and nonregistered providers alike. There is no preference or priority in who makes requests; the only priority is by topic of request. Nine hundred fifty-five out of 1,100 licensed centers were using CCNC services in 2007 as well. The demand for CCNC services from QRS users is growing.

**Discussion.** Senator Beall asked how are CCNCs able to do their jobs in the event of an epidemic if they do not know where the children are being cared for. Ms. Clausen replied that CCNCs cannot do their jobs in that situation. She gave an example of an outbreak of crypto diarrhea in the past year among children. The CCNCs were able to mass communicate with child care centers, but were not able to inform unregistered providers, and the list of registered providers was so outdated that it was useless. Mr. Anderson said that if nonregistered providers are receiving subsidies for children in the State Child Care Assistance Program, there is a record of them and he believed that list would include about one-third of unregistered providers.

## V. Legislative Services Agency — Fiscal Services Division

**Overview.** Ms. Lisa Burk, Legislative Analyst, Fiscal Services Division, and Mr. Anderson shared information about the fiscal impact of various cost items developed from requests made in connection with the Committee's October meeting at the Committee's request.

**Increased Registration.** The first item that Ms. Burk discussed was the provision of [H.F. 922](#) (legislation sponsored by the House Committee on Appropriations that was eligible for floor debate



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in the 2007 Legislative Session) that would require home child care providers to register if they care for four or more children. It is estimated that DHS will register an additional 2,060 providers, and the state pays the cost of registration to prevent cost from being a barrier and to help keep business costs low for providers. In addition the state would also pay for criminal background checks for the provider and up to two household members. The total cost for FY 2009-2010 is \$3.1 million.

**Reimbursement Rates.** The second program cost discussed was the provider reimbursement cost under the State Child Care Assistance Program. The total estimated cost for increasing provider rates to the 2006 Market Rate Survey level is \$15.6 million, assuming an implementation date of July 1, 2008, and that nonregistered provider rates remain at 1998 rates.

**Site Visits.** The third program cost discussed was preregistration site visits. With the current requirement and the [H.F. 922](#) requirements, the total cost would be \$478,000 and 7.50 FTEs.

**Annual Inspections.** The fourth program cost discussed was annual inspection of each registered child development home. With the current requirement (20 percent annually) and the [H.F. 922](#) costs, the total cost would be \$1 million and 20.00 FTEs.

**National Record Checks.** The fifth program cost discussed was national criminal history and fingerprint checks. The additional cost for 34,500 child care center and child development home staff and volunteers at \$24 each is \$828,000.

**State Child Care Assistance Program.** The sixth program cost discussed was the change in basic income eligibility for the program, which was last increased 5 percent by the General Assembly in 2006 at a cost of \$2.7 million. The discussion covered estimates of a FY 2008-2009 increase to expand income eligibility for basic care under the program to various levels from 155 percent to 200 percent of the federal poverty level.

**Consultants.** The seventh program cost discussed was to provide additional child care home consultants in CCR&R regions. With the current requirement and the [H.F. 922](#) requirement, the total estimated cost to achieve a 1:75 ratio of consultants to child development homes would be \$5.1 million for 100 regional home consultants.

**Registration Fee.** The eighth program cost discussed was the revenue that could be gained from charging a fee from provider registration. Depending on the fee and assuming 1,050 new providers would register and 2,500 would renew registrations, additional revenue could range from \$88,750-\$355,000.

**Quality Rating Systems.** The ninth program cost discussed was increasing QRS rewards. For the 1,100 providers who will seek a QRS rating or renewal in FY 2008-2009, the average bonus will be \$1,044. In order to provide a 5 percent bonus increase, it would cost \$57,000.

**Registration Requirement.** The tenth program cost discussed was the cost of registering all providers that receive payment under the State Child Care Assistance Program. With 5,500 registered providers and an estimated 6,100 unregistered providers, the estimated total cost to register all providers in this program would be \$9.5 million.





**Other Items.** In addition, several other matters were discussed but which the fiscal impact was either indeterminable or irrelevant to the state's costs. These matters included requiring all child care providers to notify the state that child care is being provided; increasing annual provider training; requiring preregistration provider training; and ensuring minimum wage pay.

**Tracking Unregistered Providers.** Co-chairperson Kreiman commented that it is possible for the state to use Schedule C (for reporting profit or loss from business) on tax returns to determine who is providing home child care as a way to track providers for health and safety reasons.

### **VI. Department of Human Services — Health Insurance**

**Mr. Jeff Anderson, Director of DHS.** Mr. Anderson discussed information he gathered at the Committee's request about providing quality health care to home child care providers by using a statewide insurance pool. Mr. Anderson told the Committee that without a model to work from it would be very hard to provide cost estimates for providing health insurance. Mr. Anderson compiled information about programs available to home child care providers in other states. A copy of this memorandum is available on the Committee's web site. Mr. Anderson said that in researching the issue he found that this is an issue many states are struggling with and that most providers find it hard to afford to quality health care coverage.

### **VII. Recommendations**

A set of recommendations was distributed by both Democrats and Republicans. The meeting was recessed for party caucuses. Following the caucuses, the Democratic proposal was orally revised with the understanding that members would have a chance following the meeting to review the recommendations and express their approval or disapproval of a written report following the meeting. After that, the approved recommendations will be drafted as proposed legislation and submitted to the General Assembly on behalf of the Committee.

Co-chairperson Mascher said that the proposed recommendations avoid monetary items at this time, but that does not mean the state is not moving toward quality care for all children.

Co-chairperson Kreiman said that the proposed recommendations were put together with cooperation by Republicans and Democrats and from some of the best testimony he has ever heard from an interim committee. He said he hoped all the members will have been proud to have been a part of the Committee and to be a part of these recommendations.

The discussed recommendations were approved unanimously by voice vote. A copy of the approved written recommendations is available at the Committee's Internet site.

### **VIII. 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>



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1. Home-based Child Care Study Committee Democratic Recommendations.
2. Recommendations for the Home-based Child Care Study Committee, by Representatives Heaton and Tymeson.
3. Health Insurance, by Mr. Anderson, DHS.
4. Fiscal Estimates for Potential Recommendations Memorandum, by Ms. Burk, LSA Fiscal Services.
5. Healthy Child Care Iowa Child Care Nurse Consultation, by Ms. Clausen, Department of Public Health.
6. Summary of Substantive Elements of [H.F. 922](#), by Mr. Pollak, LSA Legal Services.
7. Follow-ups to Requests by the Interim Committee, by AFSCME Iowa Council 61 and Child Care Providers Together.
8. Memorandum, by Ms. Running and Ms. Mowrey, Family Resource Center in Carroll.
9. Early Childhood Iowa Quality Services and Programs Policy Brief, by Ms. Lewis, Early Childhood Iowa Quality Services and Programs Subcommittee.
10. E-mail from Ms. Strahorn.

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