

## FISCAL UPDATE Article

Fiscal Services Division

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### CHILD CARE ASSISTANCE PROJECTIONS WORKGROUP MEETING—SEPTEMBER 28, 2017

**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 September 28, 2017, to discuss the Child Care Assistance (CCA) Program estimated FY 2018 and FY 2019 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 2017	Projected FY 2018	Projected FY 2019
<b>Revenues</b>			
Funds Carried Forward	\$ 4,073,335	\$ 1,063,700	\$ -
State General Fund Appropriation	31,722,450	39,343,616	39,343,616
Temporary Assistance for Needy Families	49,866,826	47,866,826	47,866,826
Child Care Development Fund	49,753,801	49,939,036	50,283,434
Special Grant Funds	85,944	65,000	-
<b>Total Revenues</b>	<b>\$ 135,502,356</b>	<b>\$ 138,278,178</b>	<b>\$ 137,493,876</b>
<b>Expenditures</b>			
Total Child Care Assistance	\$ 110,766,672	\$ 117,618,747	\$ 119,781,690
Child Care Management Information System	571,558	642,464	643,123
Quality Rating System	1,119,820	1,440,938	1,444,438
Quality Activities & Other	5,620,408	6,604,372	7,781,724
Resource and Referral (Fed & State)	2,741,668	3,872,608	3,872,608
Early Childhood Iowa Grants	6,350,000	5,850,000	5,850,000
Legal Services, Printing, & Postage	264,796	276,131	287,934
General Administrative Costs	1,637,191	1,850,950	1,950,543
Field Operations	5,280,598	5,990,176	6,399,480
Carryforward for Federal Fiscal Year	500,000	500,000	500,000
<b>Total Expenditures</b>	<b>\$ 134,852,711</b>	<b>\$ 144,646,386</b>	<b>\$ 148,511,540</b>
<b>Surplus / (Need)</b>	<b>\$ 563,701</b>	<b>(6,433,208)</b>	<b>(11,017,664)</b>

**Fiscal Year 2018.** The estimated FY 2018 General Fund appropriation is an increase of \$7.6 million compared to the actual FY 2017 appropriation. The consensus agreement for FY 2018 is an estimated need of \$6.4 million. The number of CCA subsidy children and children eligible through the Protective Services component is increasing. Additionally, the CCA Plus Program, which is an exit eligibility component for families previously enrolled in the general CCA Program that are now above the current eligibility threshold but below 85.0% of the State median income, continues to see growth and increased expenditures as this component is fully phased in. Fiscal Year 2017 ended with 721 children enrolled, compared to 192 at the beginning of the fiscal year.

**Fiscal Year 2019.** The consensus estimated need for FY 2019 is \$11.0 million. This amount is based on the current General Fund appropriation for FY 2018 and the original FY 2018 Temporary Assistance for Needy Families appropriation. The observed caseload growth and cost-per-child trends in the early months of FY 2018 are projected to extend into FY 2019.

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