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[HF 2271](#) – Child Care Assistance Program, Infant and Toddler Rates (LSB5916HV)  
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Fiscal Note Version – New

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**Description**

[House File 2271](#) directs the Department of Human Services (DHS) to amend its Administrative Rules to change the definition of the term “infant and toddler” for Child Care Assistance (CCA) Program reimbursement from between two weeks and two years to between two weeks and three years. The Bill also directs a conforming adjustment to the definition of preschool child to reflect this change.

**Assumptions**

- Approximately 3,200 children would be reimbursed at a higher rate due to this change. This includes 1,800 children at licensed child care centers, 1,100 at registered child development homes, and 300 at nonregistered child care homes with a CCA Provider agreement.
- Each eligible child uses eight units of service per week.
- The distribution of children at the enhanced Quality Rating System (QRS) reimbursement rate levels is assumed to be 44.2% for the basic rate, 18.5% for QRS Levels 1 or 2, 30.8% at QRS Levels 3 or 4, and 6.4% at QRS Level 5.

**Fiscal Impact**

[House File 2271](#) will increase expenditures for the CCA Program by an estimated \$2.8 million in FY 2021. Of this amount, the estimate is anticipated to be distributed by provider type as follows:

- Licensed child care centers: \$2.4 million
- Child development home providers: \$291,000
- Nonregistered child care homes that have a provider agreement with the DHS to participate in the CCA Program: \$106,000

The above amounts will fluctuate annually thereafter based on trends in enrollment and costs per case utilization.

There is a sufficient balance of federal funds projected to be carried forward at the end of FY 2020 to not require an increase from the General Fund appropriation in FY 2021 for the rate increase proposed under the Bill.

**Sources**

Department of Human Services  
LSA Analysis and Calculations

/s/ Holly M. Lyons

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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.

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