



[HF 2514](#) – Child Care Assistance for Child Care Workers (LSB5350HV.1)
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Fiscal Note Version – Final Action

Description

[House File 2514](#) establishes that a child of a parent, guardian, or custodian who is employed at a child care facility or child care home is eligible for the State child care assistance (CCA) program and requires the Department of Health and Human Services (HHS) to submit a report to the General Assembly regarding CCA for the child care workforce by December 1 of each year.

Background

The HHS established a CCA pilot program in FY 2024, which allowed individuals with children employed in the child care workforce to apply for the CCA program without regard to income limits. To be eligible for the CCA pilot program, the employed individual must work at least 32 hours per week in a direct care position at a licensed child care center, be registered as a child development home provider, or be a nonregistered child care home accepting CCA assistance. The family must also meet all other CCA eligibility criteria, excluding household income. The CCA pilot program is currently set to expire on July 1, 2026.

As of February 9, 2026, 2,105 families have participated in the CCA pilot program. The average participating family's income is 302.0% of the federal poverty level (FPL). In FY 2025, expenditures for the CCA pilot program totaled \$9.7 million.

Assumptions

- The average number of children per month enrolled in the CCA program with a parent, guardian, or custodian employed at a child care facility or child care home will be 1,659.
- Based on the HHS's most recent CCA projections, the average monthly cost per child is estimated to be \$589.72 for FY 2027 and \$607.41 for FY 2028.
- The State will pay for 60.0% of all costs associated with implementing the Bill, while federal funds will provide for 40.0% of the costs.

Fiscal Impact

The total cost of HF 2514 is estimated to be \$11.7 million for FY 2027, of which the State cost is \$7.0 million and the federal cost is \$4.7 million. The total cost for FY 2028 is estimated to be \$12.1 million, of which the State cost is \$7.3 million and the federal cost is \$4.8 million.

Source

Department of Health and Human Services

/s/ Jennifer Acton

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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.
