

House File 2125 - Introduced

HOUSE FILE 2125

BY JACOBY

A BILL FOR

1 An Act establishing a child care future zones program and fund
2 within the economic development authority to award financial
3 assistance to eligible persons involved in child care.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. NEW SECTION. 15.371 Child care future zones
2 program and fund.

3 1. As used in this section, unless the context otherwise
4 requires:

5 a. "*Child care future zone*" means any census tract in this
6 state with more than fifty children under the age of five that
7 contains either no child care providers or so few child care
8 providers that there are more than three times as many children
9 under the age of five as there are spaces available at the
10 existing child care providers.

11 b. "*Financial assistance*" means assistance provided only
12 from the funds, rights, and assets legally available to the
13 authority and includes but is not limited to assistance in the
14 form of tax incentives, tuition reimbursement, low-interest
15 loans, and grants.

16 c. "*Fund*" means the child care future zones fund.

17 d. "*Program*" means the child care future zones program.

18 2. a. A child care future zones fund is created in
19 the state treasury under the control of the authority and
20 consists of any moneys appropriated by the general assembly
21 and any other moneys available and obtained or accepted by the
22 authority for placement in the fund. The fund shall be used to
23 provide financial assistance to persons under the program. The
24 authority shall use any moneys specifically appropriated for
25 purposes of this section only for the purposes of this section.

26 b. Notwithstanding section 8.33, moneys in the fund at the
27 end of each fiscal year shall not revert to any other fund
28 but shall remain in the fund for expenditures for subsequent
29 fiscal years. Notwithstanding section 12C.7, subsection 2,
30 interest or earnings on moneys in the fund shall accrue to the
31 authority and shall be used for purposes of this section. All
32 repayments, payments of interest, or recaptures of financial
33 assistance provided under this section shall accrue to the
34 authority and shall be used for purposes of this section.

35 c. The authority shall use not more than five percent of

1 the moneys in the fund at the beginning of the fiscal year for
2 purposes of administrative costs, marketing, and other program
3 support.

4 3. The authority shall establish and administer a child
5 care future zones program to provide financial assistance to
6 eligible persons who own, or work in, a child care-related
7 business in a child care future zone; or who are enrolled in an
8 early childhood development degree program and currently work
9 in, or have committed to work in, a child care future zone.

10 4. A person seeking financial assistance under this section
11 shall apply to the authority pursuant to rules adopted by the
12 authority.

13 5. The authority, in consultation with the department of
14 human services, shall adopt rules pursuant to chapter 17A to
15 implement and administer this section. The rules shall, at a
16 minimum, provide for all of the following:

17 a. The identification and designation of child care future
18 zones.

19 b. The requirements for a person to be eligible to apply to
20 the program.

21 c. The eligibility requirements for a person to be eligible
22 for specific financial assistance including all of the
23 following:

24 (1) A five-year property tax exemption.

25 (2) A five-year sales tax exemption.

26 (3) A five-year income tax liability exemption.

27 (4) Tuition reimbursement for obtaining a degree in early
28 childhood education.

29 d. The application process for applying to the program.

30 e. The maximum financial assistance any one person may be
31 awarded on an annual basis and on an aggregate basis.

32 Sec. 2. ANALYSIS OF NONEMPLOYEE ENROLLMENT IN THE STATE
33 OF IOWA'S EMPLOYEE GROUP HEALTH PLAN. The director of the
34 department of administrative services, or the director's
35 designee, shall conduct an analysis of the legality and

1 program only for the purposes of the program. The bill defines
2 "financial assistance" as assistance provided only from the
3 funds, rights, and assets legally available to the authority
4 and includes but is not limited to assistance in the form of
5 tax incentives, tuition reimbursement, low-interest loans, and
6 grants.

7 Moneys in the fund at the end of each fiscal year do not
8 revert to any other fund but must remain in the fund for
9 expenditures for subsequent fiscal years. Interest or earnings
10 on moneys in the fund accrue to the authority to be used for
11 purposes of the program. All repayments, payments of interest,
12 or recaptures of financial assistance provided under the
13 program accrue to the authority for purposes of the program.
14 The authority cannot use more than 5 percent of the moneys in
15 the fund at the beginning of the fiscal year for purposes of
16 administrative costs, marketing, and other program support.

17 The bill directs the authority to establish and administer a
18 child care future zones program to provide financial assistance
19 to eligible persons who own, or work in, a child care-related
20 business in a child care future zone; or who are enrolled in an
21 early childhood development degree program and currently work
22 in, or have committed to work in, a child care future zone.

23 A person seeking financial assistance under the program
24 must apply to the authority pursuant to rules adopted by the
25 authority. The authority, in consultation with the department
26 of human services, must adopt rules to implement and administer
27 the bill provisions. The rules must, at a minimum, provide
28 for the identification and designation of child care future
29 zones; the requirements for a person to be eligible to apply to
30 the program; the requirements for a person to be eligible for
31 specific types of financial assistance as detailed in the bill;
32 the application process for applying to the program; and the
33 maximum financial assistance any one person may be awarded on
34 an annual or aggregate basis.

35 The bill directs the director of the department of

1 administrative services, or the director's designee, to
2 conduct an analysis of the legality and feasibility of offering
3 enrollment in the state of Iowa's employee group health plan
4 to nonemployees as a type of financial assistance available
5 under the program. The director must submit the finding to the
6 general assembly no later than January 31, 2021.

7 The bill directs the authority to include the program as one
8 of the authority's goals and objectives, and seek an allocation
9 of community development block grant (CDBG) funds for the fund,
10 in the authority's 2020 annual CDBG action plan submission to
11 the United States department of housing and urban development.