

House File 13 - Introduced

HOUSE FILE 13

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
22 the authority for placement in the fund. The fund shall be
23 used to provide financial assistance to eligible persons under
24 the program. The authority shall use any moneys specifically
25 appropriated for purposes of this section only for the purposes
26 of this section.

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

1 *c.* The authority shall use not more than five percent of
2 the moneys in the fund at the beginning of the fiscal year for
3 purposes of administrative costs, marketing, and other program
4 support.

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

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

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

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

20 *b.* The requirements for a person to be eligible for the
21 program.

22 *c.* The requirements for a person to be eligible for specific
23 financial assistance including all of the 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 development.

29 *d.* The application process for 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 feasibility of offering enrollment in the state of Iowa's
2 employee group health plan to a nonemployee as a type of
3 financial assistance available under the program. The director
4 shall submit the director's, or the director's designee's,
5 findings to the general assembly no later than January 31,
6 2022.

7 Sec. 3. ECONOMIC DEVELOPMENT AUTHORITY'S COMMUNITY
8 DEVELOPMENT BLOCK GRANT ANNUAL ACTION PLAN. As part of the
9 economic development authority's 2021 community development
10 block grant (CDBG) annual action plan submission to the United
11 States department of housing and urban development (HUD),
12 the director of the authority, or the director's designee,
13 shall include the program as one of the authority's goals and
14 objectives and seek an allocation of CDBG funds for the fund.

15 EXPLANATION

16 The inclusion of this explanation does not constitute agreement with
17 the explanation's substance by the members of the general assembly.

18 This bill establishes a child care future zones program and
19 fund within the economic development authority (authority) to
20 award financial assistance to eligible persons involved in
21 child care.

22 "Child care future zone" is defined by the bill as any census
23 tract in this state with more than 50 children under the age
24 of five that contain either no child care providers or so few
25 child care providers that there are more than three times as
26 many children under age five as there are spaces available at
27 the existing child care providers.

28 The bill establishes a child care future zones fund (fund)
29 in the state treasury under the control of the authority
30 consisting of any moneys appropriated by the general assembly
31 and any other moneys available and obtained or accepted by
32 the authority for placement in the fund. The fund is to be
33 used to provide financial assistance to eligible persons under
34 the child care future zones program (program). The authority
35 must use any moneys specifically appropriated for purposes of

1 the program only for the purposes of the program. "Financial
2 assistance" is defined in the bill.

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

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

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

30 The bill directs the director of the department of
31 administrative services, or the director's designee, to
32 conduct an analysis of the legality and feasibility of offering
33 enrollment in the state of Iowa's employee group health plan
34 to nonemployees as a type of financial assistance available
35 under the program. The director must submit the finding to the

1 general assembly no later than January 31, 2022.

2 The bill directs the authority to include the program as one
3 of the authority's goals and objectives, and seek an allocation
4 of community development block grant (CDBG) funds for the fund,
5 in the authority's 2021 annual CDBG action plan submission to
6 the United States department of housing and urban development.