

House Study Bill 623 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
HEALTH AND HUMAN SERVICES
BILL)

A BILL FOR

1 An Act relating to early childhood and family services, including
2 the creation of an early childhood and family services
3 system, state child care assistance for the child care
4 workforce, making appropriations, and including effective date
5 provisions.

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

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DIVISION I

EARLY CHILDHOOD AND FAMILY SERVICES SYSTEM

Section 1. NEW SECTION. **234A.1 Definitions.**

For the purposes of this chapter, unless the context otherwise requires:

1. "Community resources" means locally focused, strength-based programs and supports that aim to enhance family functioning and resilience, promote child development and safety, and prevent future involvement with child protective services or the juvenile justice system.

2. "Department" means the department of health and human services.

3. "Early childhood and family services district" or "ECFS district" means a health and human services district through which the ECFS system is administered or will be administered.

4. "Early childhood and family services district advisory council" or "ECFS district advisory council" means an advisory council established under section 234A.3.

5. "Early childhood and family services district plan" or "ECFS district plan" means a plan developed by the department to outline the ECFS system infrastructure of a district and the programs and services intended to be provided within that district.

6. "Early childhood and family services state plan" or "ECFS state plan" means the plan developed by the department that describes the key components of the state's ECFS system.

7. "Early childhood and family services system" or "ECFS system" means the system established in section 234A.2.

8. "Early childhood and family services system fund" or "ECFS system fund" means the fund created in section 234A.6.

9. "Early intervention strategies" means services and supports designed to proactively identify and address risk factors and includes services that aim to strengthen families, promote healthy development, and reduce the likelihood of abuse or neglect by providing timely, targeted assistance to children

1 and caregivers through the ECFS system.

2 10. "*Evidence-based*" means practices, programs, and policies
3 grounded in the best available research and data, and that have
4 been scientifically tested and shown to be effective through
5 rigorous evaluation.

6 11. "*Health and human services district*" means the same as
7 defined in section 217.1.

8 12. "*HOPES-HFI program*" means the healthy opportunities for
9 parents to experience success - healthy families Iowa program
10 established in section 234A.5.

11 13. "*Ongoing family and community resources*" means a
12 continuum of sustained, accessible, and family-centered resources
13 provided through the ECFS system that help families meet their
14 needs, strengthen protective factors, and prevent child abuse and
15 neglect.

16 14. "*Primary prevention strategies*" means a comprehensive
17 set of services and supports provided through the ECFS system
18 that are designed to strengthen families, promote healthy child
19 development, and prevent adverse outcomes before they occur.
20 These activities focus on addressing the underlying social,
21 economic, and environmental conditions that place children and
22 families at risk, such as poverty, social isolation, and lack of
23 access to quality early care and education.

24 15. "*Protective factor*" means an inherent strength, resource,
25 or capacity of a family, or a resource that helps a family
26 thrive, buffer against stress, and reduce the likelihood of child
27 abuse, neglect, or other poor outcome.

28 16. "*Strength-based*" means an approach that focuses on
29 identifying and building upon the inherent strengths, resources,
30 and capacities of a family to support the family's growth,
31 resilience, and well-being.

32 **Sec. 2. NEW SECTION. 234A.2 Early childhood and family**
33 **services system — department powers and duties.**

34 1. a. An early childhood and family services system is
35 established under the control of the department for the

1 purposes of implementing a statewide array of primary prevention
2 strategies, early intervention strategies, and ongoing family
3 and community resources for families and their children under
4 nineteen years of age, with an emphasis on children under six
5 years of age.

6 b. An ECFS district is established in each health and human
7 services district. The boundaries for each ECFS district shall
8 be the same as the health and human services district in which
9 the ECFS district was established.

10 2. The ECFS system shall be administered in a manner
11 to maximize funding opportunities, interagency collaboration,
12 public-private partnerships, and the integration of early care,
13 education, and health and human services systems.

14 3. The ECFS system shall support equitable statewide access
15 to all services, supports, and other resources offered through
16 the ECFS system that, at a minimum, shall include all of the
17 following:

18 a. Evidence-based primary prevention strategies, including
19 parent skill building and education programs designed to assist
20 families in establishing healthy, successful futures.

21 b. Tailored early intervention strategies for children and
22 families to ensure long-term well-being, including economic
23 self-sufficiency.

24 c. Ongoing family and community resources for children and
25 families to address the root causes of child abuse and neglect
26 and strengthen protective factors.

27 d. Early childhood services such as programs for children
28 under six years of age, evidence-based family support and home
29 visiting services, and community resources.

30 4. To the extent funding is available, the department shall
31 do all of the following to develop and administer the ECFS system
32 and carry out the department's duties under this chapter:

33 a. Plan, establish, and maintain primary prevention
34 strategies, early intervention strategies, and ongoing family and
35 community resources.

1 b. (1) Develop an early childhood and family services state
2 plan that is consistent with the department's agency strategic
3 plan adopted pursuant to section 8E.204, and the state health
4 improvement plan developed under section 217.17.

5 (2) When developing the ECFS state plan, the department shall
6 do all of the following:

7 (a) Collaborate with stakeholders including but not limited
8 to experienced public health and medical providers, law
9 enforcement, educators, and organizations that represent
10 populations including but not limited to children to be served
11 by the ECFS system.

12 (b) Publish the proposed ECFS state plan on the department's
13 internet site and allow the public to review and comment on the
14 proposed ECFS state plan prior to adoption.

15 c. Administer the ECFS system in each ECFS district based on
16 early childhood and family services district plans.

17 d. Establish ECFS district advisory councils pursuant to
18 section 234A.3.

19 e. Coordinate administration of each ECFS district plan with
20 federal and state resources.

21 f. Enter into contracts as necessary to perform activities,
22 and provide services, supports, and other resources in accordance
23 with each ECFS district plan.

24 g. Administer and distribute federal aid received, and state
25 appropriations, grants, and other moneys deposited into the early
26 childhood and family services system fund.

27 h. Oversee, provide technical assistance to, and monitor
28 department contractors to ensure compliance with ECFS district
29 plans.

30 i. Establish and maintain data collection and management
31 information systems to identify, collect, and analyze service
32 outcomes and performance data to address the needs of clients,
33 providers, the department, and ECFS system programs.

34 j. Collect, maintain, monitor, analyze, and utilize
35 information including but not limited to ECFS client records

1 and programmatic, state, and national data, engage in studies
2 and analyses, and gather relevant statistics to understand
3 emerging needs and effectively deploy information, resources, and
4 technical assistance in response.

5 k. Adopt rules pursuant to chapter 17A to administer this
6 chapter.

7 l. Take any other necessary actions to execute the
8 department's duties under this chapter or maintain compliance
9 with federal requirements.

10 5. The department may do all of the following to develop and
11 administer the ECFS system:

12 a. Cooperate with any state agency, political subdivision, or
13 federal governmental agency to apply for grants.

14 b. Solicit and accept for use any gift of money, by will or
15 otherwise, and any grant of money or services from the federal
16 government, the state, a political subdivision of the state or
17 federal government, or a private source.

18 Sec. 3. NEW SECTION. **234A.3 Early childhood and family**
19 **services district advisory councils.**

20 1. The department shall establish an early childhood and
21 family services district advisory council in each ECFS district.
22 The department shall develop policies and procedures for the
23 operational functions of each ECFS district advisory council.

24 2. An ECFS district advisory council shall consist of ten
25 members appointed by the department. Individuals eligible for
26 appointment include but are not limited to all of the following:

27 a. Elected public officials who currently hold office within
28 the ECFS district.

29 b. Individuals who have experience or expertise related to
30 health, education, domestic assault response, or abuse response.

31 c. Individuals who are representative of the populations
32 served in the ECFS district advisory council's ECFS district.

33 d. Individuals who represent the faith community or community
34 partners in the ECFS district advisory council's ECFS district.

35 3. An ECFS district advisory council shall do all of the

1 following:

2 a. Identify opportunities and address challenges based
3 on updates received from the department relating to the
4 implementation of the ECFS district plan for the ECFS district
5 advisory council's ECFS district.

6 b. Provide feedback to the department while the department is
7 developing ECFS system policies.

8 c. Advise the department on how to best provide families
9 access to primary prevention strategies, early intervention
10 strategies, and ongoing family and community resources throughout
11 the ECFS district advisory council's ECFS district.

12 4. An ECFS district advisory council shall perform the duties
13 required under this section regardless of whether any seat on the
14 ECFS district advisory council is vacant.

15 Sec. 4. NEW SECTION. **234A.4 Data collection and use.**

16 1. The department shall perform all of the following actions
17 related to ECFS system data:

18 a. (1) Collect, maintain, monitor, analyze, and utilize
19 data, including but not limited to child welfare data, Medicaid
20 data, ECFS system data, and other data depicting the status of
21 children and families in the state, as necessary to issue cost
22 estimates for serving populations, make and receive payments,
23 conduct operations, and perform ECFS system activities.

24 (2) When performing duties under this paragraph, the
25 department shall maintain compliance with applicable federal and
26 state privacy laws to ensure the confidentiality and integrity of
27 individually identifiable data.

28 (3) The department shall periodically assess the status of
29 the department's compliance with subparagraph (2) to ensure
30 that data collected and maintained by the department under this
31 paragraph is protected.

32 b. To the extent possible, establish a record for each
33 individual receiving publicly funded ECFS system services. Each
34 record established under this paragraph shall include a unique
35 client identifier for the purposes of identifying and tracking

1 the individual's record.

2 c. Consult with department contractors and other ECFS system
3 stakeholders on an ongoing basis relating to the administration
4 of the ECFS system, including but not limited to reviewing
5 trends and outcomes as indicators for improving or modifying
6 administration of the ECFS system.

7 d. Engage with entities that maintain information the
8 department is required to collect pursuant to this section to
9 integrate data relating to individuals receiving ECFS system
10 services.

11 e. Engage with entities that maintain general population
12 data relating to the ECFS system to develop action plans,
13 create projections relating to a population's ECFS system needs,
14 develop ECFS system policies, and otherwise perform activities as
15 necessary to support families in achieving a healthy, successful
16 future.

17 2. The department shall ensure that public and private
18 agencies, organizations, and individuals that operate within
19 the ECFS system use uniform methods to maintain statistical
20 information relating to ECFS system outcomes and performance.

21 **Sec. 5. NEW SECTION. 234A.5 Healthy families programs —**
22 **HOPES-HFI program.**

23 1. The department shall establish the HOPES-HFI program to
24 provide services to families and children during a child's
25 prenatal through preschool years. The HOPES-HFI program shall do
26 all of the following:

27 a. Promote optimal child health and development.

28 b. Improve family coping skills and functioning.

29 c. Promote positive parenting skills and intrafamilial
30 interaction.

31 d. Prevent child abuse, child neglect, infant mortality, and
32 infant morbidity.

33 2. The department shall administer the HOPES-HFI program, in
34 whole or in part, by contracting with local organizations using
35 evidence-based home visiting models.

1 ~~boards of decategorization of child welfare and juvenile justice~~
2 ~~funding projects established under section 232.188 to appoint the~~
3 ~~transition committee membership and may utilize the boundaries~~
4 ~~of decategorization projects to establish the service areas for~~
5 ~~transition committees. The committee A committee's membership~~
6 may include but is not limited to department staff involved with
7 foster care, child welfare, and adult services, juvenile court
8 services staff, staff involved with county general assistance or
9 emergency relief under chapter 251 or 252, school district and
10 area education agency staff involved with special education, and
11 a child's court appointed special advocate, guardian ad litem,
12 service providers, and other persons knowledgeable about the
13 child.

14 Sec. 12. Section 237A.1, subsection 2, paragraph j,
15 subparagraph (2), Code 2026, is amended by striking the
16 subparagraph.

17 Sec. 13. Section 249A.26, subsection 5, Code 2026, is amended
18 by striking the subsection.

19 Sec. 14. Section 256I.4, subsection 6, Code 2026, is amended
20 by striking the subsection.

21 Sec. 15. REPEAL. Section 232.188, Code 2026, is repealed.

22 DIVISION III

23 CHILD ABUSE PREVENTION PROGRAM

24 Sec. 16. Section 144.13A, subsection 5, paragraph a, Code
25 2026, is amended to read as follows:

26 a. Ten dollars of each registration fee is appropriated and
27 shall be used for ~~primary and secondary~~ child abuse prevention
28 programs ~~pursuant to section 235A.1~~, and ten dollars of each
29 registration fee is appropriated and shall be used for the
30 congenital and inherited disorders central registry established
31 pursuant to section 136A.6. Notwithstanding section 8.33,
32 moneys appropriated in this paragraph that remain unencumbered
33 or unobligated at the close of the fiscal year shall not revert
34 but shall remain available for expenditure for the purposes
35 designated until the close of the succeeding fiscal year, and

1 shall not be transferred, used, obligated, appropriated, or
2 otherwise encumbered except as provided in this paragraph.

3 Sec. 17. Section 422.12K, Code 2026, is amended to read as
4 follows:

5 **422.12K Income tax checkoff for child abuse prevention**
6 **~~program fund.~~**

7 1. A person who files an individual or a joint income tax
8 return with the department of revenue under section 422.13 may
9 designate one dollar or more to be paid to the ~~child abuse~~
10 ~~prevention program~~ early childhood and family services system
11 fund created in section ~~235A.2~~ 234A.6, to be used for the
12 purpose of child abuse prevention. If the refund due on the
13 return or the payment remitted with the return is insufficient
14 to pay the additional amount designated by the taxpayer to
15 the ~~child abuse prevention program~~ early childhood and family
16 services system fund, the amount designated shall be reduced to
17 the remaining amount remitted with the return. The designation
18 of a contribution to the ~~child abuse prevention program~~ early
19 childhood and family services system fund under this section is
20 irrevocable.

21 2. The director of revenue shall draft the income tax form
22 to allow the designation of contributions to the ~~child abuse~~
23 ~~prevention program~~ early childhood and family services system
24 fund on the tax return. The department of revenue, on or
25 before January 31, shall transfer the total amount designated
26 on the tax return forms due in the preceding calendar year to
27 the ~~child abuse prevention program~~ early childhood and family
28 services system fund. However, before a checkoff pursuant to
29 this section shall be permitted, all liabilities on the books
30 of the department and accounts identified as owing under section
31 421.65 shall be satisfied.

32 3. The department of health and human services may authorize
33 payment of moneys from the ~~child abuse prevention program~~ early
34 childhood and family services system fund for the purpose of
35 child abuse prevention in accordance with section ~~235A.2~~ 234A.6.

1 4. The department of revenue shall adopt rules to administer
2 this section.

3 5. This section is subject to repeal under section 422.12E.

4 Sec. 18. REPEAL. Sections 235A.1, 235A.2, and 235A.3, Code
5 2026, are repealed.

6 Sec. 19. CHILD ABUSE PREVENTION PROGRAM FUND — TRANSFER OF
7 MONEYS. Any unencumbered or unobligated moneys remaining in the
8 child abuse prevention program fund created in section 235A.2, on
9 June 30, 2026, shall be transferred to the early childhood and
10 family services system fund created in section 234A.6, as enacted
11 in this Act.

12 Sec. 20. EFFECTIVE DATE. This division of this Act, being
13 deemed of immediate importance, takes effect upon enactment.

14 DIVISION IV

15 TRANSITION PROVISIONS

16 Sec. 21. EARLY CHILDHOOD AND FAMILY SERVICES SYSTEM.

17 1. For purposes of this division:

18 a. The following mean the same as defined in section 234A.1
19 as enacted in division I of this Act:

20 (1) "Department".

21 (2) "Early intervention strategies".

22 (3) "ECFS district plan".

23 (4) "ECFS state plan".

24 (5) "ECFS system".

25 (6) "ECFS system fund".

26 (7) "Ongoing family and community resources".

27 (8) "Primary prevention strategies".

28 b. "Early childhood Iowa area" and "early childhood Iowa area
29 board" mean the same as defined in section 256I.1.

30 c. "Early childhood Iowa initiative" means the early
31 childhood Iowa initiative described in section 256I.2.

32 d. "Transition period" means the period beginning on the date
33 of enactment of this division of this Act and concluding on June
34 30, 2027.

35 2. There is created an early childhood and family services

1 system under the control of the department. Beginning July 1,
2 2027, the department shall be responsible for implementing and
3 maintaining a statewide system of primary prevention strategies,
4 early intervention strategies, and ongoing family and community
5 resources through the ECFS system.

6 3. During the transition period, the department may exercise
7 all policymaking functions and regulatory powers as necessary to
8 establish the ECFS system as if the sections of division I of
9 this Act enacting sections 234A.1 through 234A.5 were enacted.

10 4. The department shall perform all the following duties by
11 the conclusion of the transition period:

12 a. Adopt rules pursuant to chapter 17A as necessary to
13 establish, implement, and administer the ECFS system.

14 b. Establish policies as necessary to efficiently establish,
15 implement, and administer the ECFS system.

16 c. Prepare forms necessary to establish, implement, and
17 administer the ECFS system.

18 d. Prepare an ECFS state plan.

19 e. Develop ECFS district plans.

20 f. Develop plans for the transition of the early childhood
21 Iowa initiative and other early childhood and family services to
22 the ECFS system.

23 g. Execute contracts as necessary to establish, implement,
24 and administer the ECFS system.

25 h. Develop and implement a plan to ensure that individuals
26 currently receiving primary prevention strategies, early
27 intervention strategies, services, and supports or ongoing family
28 and community resources under the purview of the department, or
29 services provided through the early childhood Iowa initiative,
30 have uninterrupted continuity of care.

31 i. Submit a report to the general assembly no later than
32 January 15, 2027, that details the administrative and operational
33 costs to establish, implement, and administer the ECFS system.

34 j. Establish contractual rights, privileges, and
35 responsibilities as necessary to establish, implement, and

1 administer the ECFS system.

2 5. If the department determines that a federal waiver or
3 authorization is necessary to administer any provision of this
4 division of this Act, or to effectuate the ECFS system by the
5 conclusion of the transition period, the department shall timely
6 request the federal waiver or authorization. Notwithstanding
7 any other effective date to the contrary, a provision of this
8 division of this Act that the department determines requires
9 a federal waiver or authorization shall be effective only upon
10 receipt of federal approval for the waiver or authorization.

11 6. Each early childhood Iowa area board that maintains a
12 financial account shall transfer all unencumbered and unobligated
13 moneys remaining in the account on June 30, 2027, to the
14 treasurer of state for deposit in the ECFS system fund.

15 7. a. All debts, claims, or other liabilities owed to an
16 early childhood Iowa area, an early childhood Iowa area board,
17 or to the state due to services rendered pursuant to chapter
18 256I, Code 2026, at the conclusion of the transition period shall
19 remain due and owing after the transition period concludes.

20 b. After the transition period concludes, all fiscal agents
21 contracted with an early childhood Iowa area board shall assist
22 the department with collection of outstanding debts, claims,
23 or other liabilities owed to an early childhood Iowa area or
24 an early childhood Iowa area board for activities and services
25 allowed pursuant to chapter 256I provided or rendered before
26 the transition period concluded. Reimbursement for allowable
27 activities and services shall only be paid if accompanied by
28 sufficient supporting documentation.

29 8. With input from appropriate stakeholders, the department
30 shall identify each contract that will be impacted by divisions
31 I through V of this Act. On or before June 30, 2027, each party
32 to a contract identified by the department under this subsection
33 shall exercise the option, if permitted under the terms of the
34 contract, to terminate the contract. Contracts identified under
35 this subsection that do not provide for termination shall not be

1 renewed or extended at the end of the current contract term.

2 9. Unless otherwise provided in this division of this Act, an
3 early childhood Iowa area, an early childhood Iowa area board,
4 an early childhood Iowa area director, or any agent of an early
5 childhood Iowa area or early childhood Iowa area board, and any
6 subdivision of the state, shall not enter into, renew, or extend
7 a contract related to the early childhood Iowa initiative or
8 related activities if the term of the contract would extend past,
9 or the deliverables under the contract would be provided after,
10 June 30, 2027.

11 10. Notwithstanding section 8.33 or any other provision to
12 the contrary, on June 30, 2027, any unobligated or unencumbered
13 moneys in the early childhood Iowa fund and any account within
14 the fund created pursuant to section 256I.11, shall not revert
15 but shall be transferred and deposited into the ECFS system fund.

16 11. The department may assume the duties of the early
17 childhood Iowa state board or an early childhood Iowa area board
18 during the transition period as necessary to ensure compliance
19 with chapter 256I, and to provide for uninterrupted continuity of
20 services in early childhood Iowa areas.

21 Sec. 22. EMERGENCY RULES. The department of health and
22 human services may adopt emergency rules under section 17A.4,
23 subsection 3, and section 17A.5, subsection 2, paragraph "b", to
24 implement the provisions of this division of this Act and the
25 rules shall be effective immediately upon filing unless a later
26 date is specified in the rules. Any rules adopted in accordance
27 with this section shall also be published as a notice of intended
28 action as provided in section 17A.4.

29 Sec. 23. EFFECTIVE DATE. This division of this Act, being
30 deemed of immediate importance, takes effect upon enactment.

31

DIVISION V

32

HEALTH AND HUMAN SERVICES DISTRICTS

33 Sec. 24. Section 217.1, Code 2026, is amended by adding the
34 following new subsection:

35 NEW SUBSECTION. 4. *"Health and human services district" or*

1 "HHS district" means a geographic, multicounty area designated
2 by the department under section 217.1B for statewide program and
3 service delivery.

4 Sec. 25. NEW SECTION. **217.1B Health and human services**
5 **districts.**

6 1. The department shall divide the entirety of the state into
7 designated health and human services districts. The initial HHS
8 districts shall be the same as the behavioral health districts
9 designated pursuant to section 225A.4, Code 2026, and that exist
10 on the effective date of this division of this Act. The
11 department shall review the designated HHS districts at least
12 once every seven consecutive fiscal years.

13 2. a. The department may modify a designated HHS district.
14 When modifying a designated HHS district, the department shall
15 consider all of the following:

16 (1) City and county boundaries.

17 (2) The population size that can be effectively served in a
18 specific area.

19 (3) Areas of high need for services.

20 (4) Patterns various populations exhibit when accessing or
21 receiving services.

22 b. Notwithstanding chapter 17A, the manner in which the
23 modification of an HHS district is made, including the
24 determination of boundaries for a modified HHS district, shall
25 not be subject to judicial review.

26 3. The department shall adopt rules pursuant to chapter 17A
27 to administer this section.

28 Sec. 26. CONTINGENT EFFECTIVE DATE. This division of this
29 Act takes effect July 1, 2026, unless the sections of 2026 Iowa
30 Acts, LSB 5558 XD, or successor legislation, amending section
31 217.1 and enacting section 217.1B are enacted on or before July
32 1, 2026.

33 DIVISION VI

34 CONFORMING CHANGES

35 Sec. 27. Section 232.69, subsection 1, paragraph b,

1 subparagraph (5), Code 2026, is amended to read as follows:

2 (5) An employee or operator of a licensed child care center,
3 registered child development home, head start program, family
4 development and self-sufficiency grant program under section
5 216A.107, or healthy opportunities for parents to experience
6 success - healthy families Iowa program under section ~~135.106~~
7 234A.5.

8 Sec. 28. Section 232.188, subsection 4, paragraph c, Code
9 2026, is amended to read as follows:

10 c. A decategorization governance board shall coordinate the
11 project's planning and budgeting activities with the department's
12 designee for the county or counties comprising the project area
13 ~~and the early childhood Iowa area board or boards for the early~~
14 ~~childhood Iowa area or areas within which the decategorization~~
15 ~~project is located.~~

16 Sec. 29. Section 237A.26, subsection 8, Code 2026, is amended
17 to read as follows:

18 8. For purposes of improving the quality and consistency
19 of data collection, consultation, and other support to child
20 care home and child development home providers, a resource and
21 referral services agency grantee shall coordinate and assist
22 with publicly and privately funded efforts administered at the
23 community level to provide the support. The support and efforts
24 addressed by a grantee may include but are not limited to
25 community-funded child care home and child development home
26 consultants. Community members involved with the assistance
27 may include but are not limited to ~~the efforts of an early~~
28 ~~childhood Iowa area board under chapter 256I, and of community~~
29 representatives of education, health, human services, business,
30 faith, and public interests.

31 Sec. 30. Section 237A.30, subsection 1, Code 2026, is amended
32 to read as follows:

33 1. The department shall ~~work with the early childhood~~
34 ~~Iowa program established in section 256I.5 in designing and~~
35 ~~implementing~~ implement a voluntary quality rating system for each

1 provider type of child care facility.

2 Sec. 31. Section 256.163, subsection 1, paragraph e, Code
3 2026, is amended by striking the paragraph.

4 Sec. 32. Section 256A.3, Code 2026, is amended by adding the
5 following new subsection:

6 NEW SUBSECTION. 9. Serve as the state advisory council
7 required under the federal Improving Head Start for School
8 Readiness Act of 2007, Pub. L. No. 110-134. For purposes of the
9 federal Improving Head Start for School Readiness Act of 2007,
10 enactment of this subsection shall be considered the governor's
11 designation of the child development coordinating council as the
12 state advisory council.

13 Sec. 33. Section 256C.3, subsection 4, paragraph a, Code
14 2026, is amended to read as follows:

15 a. Methods of demonstrating community readiness to implement
16 high-quality instruction in a local program shall be identified.
17 The potential provider shall submit a collaborative program
18 proposal that demonstrates the involvement of multiple community
19 stakeholders including but not limited to, and only as
20 applicable, parents, the school district, accredited nonpublic
21 schools and faith-based representatives, the area education
22 agency, ~~the early childhood Iowa area board~~, representatives
23 of business, head start programs, shared visions and other
24 programs provided under the auspices of the child development
25 coordinating council, center-based and home-based providers of
26 child care services, human services, public health, and economic
27 development programs. The methods may include but are not
28 limited to a school district providing evidence of a public
29 hearing on the proposed programming and written documentation of
30 collaboration agreements between the school district, existing
31 community providers, and other community stakeholders addressing
32 operational procedures and other critical measures.

33 Sec. 34. Section 256C.4, subsection 2, paragraph b, Code
34 2026, is amended to read as follows:

35 b. The enrollment count of eligible students shall not

1 include a child who is included in the enrollment count
2 determined under section 257.6 or a child who is served by a
3 program already receiving state or federal funds for the purpose
4 of the provision of four-year-old preschool programming while the
5 child is being served by the program. Such preschool programming
6 includes but is not limited to child development assistance
7 programs provided under chapter 256A, special education programs
8 provided under section 256B.9, ~~school ready children grant~~
9 ~~programs and other programs provided under chapter 256I,~~ and
10 federal head start programs and the services funded by Tit. I of
11 the federal Elementary and Secondary Education Act of 1965.

12 Sec. 35. Section 915.35, subsection 4, paragraph b, Code
13 2026, is amended to read as follows:

14 b. A child protection assistance team may also consult
15 with or include juvenile court officers, medical and mental
16 health professionals, physicians or other hospital-based health
17 professionals, court appointed special advocates, guardians
18 ad litem, and members of a multidisciplinary team created
19 by the department of health and human services for child
20 abuse assessments. A child protection assistance team may
21 work cooperatively with the ~~early childhood Iowa area board~~
22 ~~established under chapter 256I~~ an ECFS district advisory
23 council established under section 234A.3. The child protection
24 assistance team shall work with the department of health and
25 human services in accordance with section 232.71B, subsection 3,
26 in developing the protocols for prioritizing the actions taken
27 in response to child abuse assessments and for law enforcement
28 agencies working jointly with the department at the local level
29 in processes for child abuse assessments. The department of
30 justice may provide training and other assistance to support the
31 activities of a child protection assistance team.

32 Sec. 36. EFFECTIVE DATE. This division of this Act takes
33 effect July 1, 2027.

34

DIVISION VII

35 CHILD CARE WORKFORCE — STATE CHILD CARE ASSISTANCE ELIGIBILITY

1 Sec. 37. NEW SECTION. **237A.15 State child care assistance**
2 **— child care workforce eligibility.**

3 1. Notwithstanding any provision of section 237A.13 or
4 237A.14 to the contrary, a child shall be eligible for the state
5 child care assistance program established in section 237A.13 and
6 the state child care assistance graduated eligibility phase-out
7 program established in section 237A.14 if a parent, guardian, or
8 custodian of the child meets all of the following requirements,
9 as applicable:

10 a. The parent, guardian, or custodian is employed in this
11 state at a child care facility or child care home that has an
12 agreement with the department to accept reimbursements from the
13 state child care assistance program.

14 b. The parent, guardian, or custodian works an average
15 minimum of thirty-two hours per week. A portion of the hours
16 worked, as specified by the department, must be in a position
17 with a primary duty of providing child care directly to children,
18 and the parent's, guardian's, or custodian's position must be
19 regularly counted in the minimum child-to-staff ratio established
20 by the department.

21 c. (1) If the parent, guardian, or custodian is employed
22 at a child care home or a child development home, the parent,
23 guardian, or custodian does not provide child care to the
24 parent's, guardian's, or custodian's own child.

25 (2) Notwithstanding subparagraph (1), a co-provider at a
26 child development home may qualify for state child care
27 assistance if the co-provider meets all requirements specified in
28 this section and by the department by rule.

29 d. The parent, guardian, or custodian is not a substitute or
30 an assistant at a child care home or a child development home.

31 e. Based on the department's evaluation of the parent's,
32 guardian's, or custodian's application for state child care
33 assistance, the department has determined the parent, guardian,
34 or custodian has a need for child care.

35 f. The parent, guardian, or custodian is not the owner of the

1 child care facility or child care home where any of the parent's,
2 guardian's, or custodian's children are enrolled.

3 2. A child of a director, co-director, or other
4 administrative staff member of a child care facility may qualify
5 for state child care assistance under subsection 1 if the
6 director, co-director, or other administrative staff member is
7 regularly counted in the minimum child-to-staff ratio established
8 by the department by rule.

9 3. A parent, guardian, or custodian of a child participating
10 in the state child care assistance program based on eligibility
11 established under this section shall make copayments as specified
12 by the department by rule.

13 4. The department shall adopt rules pursuant to chapter 17A
14 to administer this section.

15 Sec. 38. EMERGENCY RULES. The department of health and
16 human services may adopt emergency rules under section 17A.4,
17 subsection 3, and section 17A.5, subsection 2, paragraph "b", to
18 implement the provisions of this division of this Act and the
19 rules shall be effective immediately upon filing unless a later
20 date is specified in the rules. Any rules adopted in accordance
21 with this section shall also be published as a notice of intended
22 action as provided in section 17A.4.

23 Sec. 39. EFFECTIVE DATE. This division of this Act, being
24 deemed of immediate importance, takes effect upon enactment.

25 DIVISION VIII

26 CODE EDITOR DIRECTIVES

27 Sec. 40. CODE EDITOR DIRECTIVES. The Code editor is directed
28 to do all of the following:

29 1. Make changes in any Code sections amended or enacted by
30 any other Act to correspond with the changes made in this Act
31 if there appears to be no doubt as to the proper method of
32 making the changes and the changes would not be contrary to or
33 inconsistent with the purposes of this Act or any other Act.

34 2. Correct internal references in the Code and in enacted
35 legislation as necessary due to the enactment of this Act.

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EXPLANATION

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

This bill relates to early childhood and family services, including creation of an early childhood and family services (ECFS) system and child care workforce eligibility for state child care assistance (CCA).

DIVISION I — EARLY CHILDHOOD AND FAMILY SERVICES SYSTEM. The bill creates new Code chapter 234A (early childhood and family services system). The purpose of the ECFS system is to provide accessible, ongoing, and community-based services for children and families. The bill defines terms used in the chapter.

The ECFS system is established under the control of the department of health and human services (HHS) and ECFS districts (districts) are established for statewide implementation of primary prevention strategies and early intervention strategies for families and their children under 19 years of age, with an emphasis on children under 6 years of age. The ECFS system must be administered in a manner that maximizes funding opportunities, interagency collaboration, public-private partnerships, and the integration of the early care, education, and health and human services systems.

The bill details actions HHS must perform, to the extent funding is available, to develop and administer the ECFS system.

The bill directs HHS to establish an ECFS district advisory council (council) in each district, and develop policies and procedures for the operational functions of the councils. A council shall consist of 10 members appointed by HHS. The bill specifies individuals who are eligible for appointment, and the duties of a council.

The bill specifies the duties of HHS related to data collection and use for the ECFS system. The bill requires HHS to maintain compliance with applicable federal and state privacy laws to ensure the confidentiality and integrity of individually identifiable data related to the ECFS system collected by HHS.

1 Current Code section 135.106 (healthy opportunities for
2 parents to experience success - healthy families Iowa
3 (HOPES-HFI)) is placed in the new Code chapter and becomes part
4 of the ECFS system. The bill specifies the requirements for the
5 HOPES-HFI program and directs HHS to develop and administer the
6 HOPES-HFI program, in whole or in part, by contracting with local
7 organizations that use evidence-based home visiting models.

8 The bill establishes an ECFS system fund (ECFS fund)
9 consisting of moneys appropriated to HHS for the ECFS fund's
10 purposes by the general assembly and any other moneys available
11 and obtained or accepted by HHS for deposit in the ECFS fund.
12 Moneys in the ECFS fund are appropriated to HHS for the purposes
13 of implementing and administering the ECFS system. Moneys
14 appropriated that remain unencumbered or unobligated at the close
15 of a fiscal year shall not revert to the general fund of the
16 state, and interest or earnings on moneys in the fund shall be
17 credited to the ECFS fund.

18 The bill repeals Code chapter 256I (early childhood Iowa
19 initiative).

20 The section of the division that establishes the ECFS fund
21 takes effect upon enactment. All other sections in the division
22 take effect July 1, 2027.

23 DIVISION II — DECATEGORY INITIATIVE. The bill
24 eliminates the decategorization initiative.

25 DIVISION III — CHILD ABUSE PREVENTION PROGRAM. The bill
26 eliminates the child abuse prevention program, fund, and advisory
27 committee. A taxpayer may still receive a nonrefundable
28 reduction in the taxpayer's income taxes for contributing one or
29 more dollars to child abuse prevention, but the moneys received
30 will be administered through the ECFS system instead of the
31 child abuse prevention program fund. Funding for child abuse
32 prevention and moneys in the current child abuse prevention fund
33 are directed to the ECFS fund to be used by HHS for child abuse
34 prevention.

35 This division of the bill takes effect upon enactment.

1 DIVISION IV — TRANSITION PROVISIONS. The bill defines terms
2 used in the division, including "transition period", which means
3 the period beginning on the date of enactment of the division and
4 concluding on June 30, 2027.

5 The bill allows HHS to exercise all policymaking functions
6 and regulatory powers as necessary to establish the ECFS system
7 during the transition period.

8 The bill requires HHS to execute contracts as necessary to
9 establish, implement, and administer the ECFS system; adopt
10 necessary administrative rules; establish necessary policies and
11 prepare necessary forms; prepare an ECFS state plan and develop
12 ECFS district plans; develop plans for the transition of the
13 early childhood Iowa initiative (initiative) and other early
14 childhood and family services to the ECFS system; develop and
15 implement a plan to ensure that individuals currently receiving
16 ECFS system-related services under the purview of HHS or services
17 provided through the initiative have uninterrupted continuity of
18 care; and submit a report to the general assembly no later than
19 January 15, 2027, that details the administrative and operational
20 costs to establish, implement, and administer the ECFS system.

21 The bill requires HHS to request any federal waivers or
22 authorizations (waivers) necessary to implement the ECFS system.
23 Notwithstanding other effective dates stated in the bill, any
24 provision of the bill HHS determines necessitates a waiver is
25 effective upon receipt of the federal approval of the waiver.

26 The bill requires each early childhood Iowa area board (area
27 board) that maintains a financial account to transfer all
28 unencumbered and unobligated moneys remaining in the account on
29 June 30, 2027, to the treasurer of state for deposit in the ECFS
30 fund.

31 The bill provides that all debts, claims, or other liabilities
32 owed to an early childhood Iowa area (area), area board, or
33 the state due to services rendered pursuant to Code chapter
34 256I at the conclusion of the transition period shall remain
35 due and owing after the transition period concludes. After the

1 transition period concludes, all fiscal agents contracted with
2 an area board shall assist HHS in collecting outstanding debts,
3 claims, or other liabilities owed to the areas or area boards
4 for allowable activities and services that were provided or
5 rendered before the transition period concluded. Reimbursement
6 for allowable activities and services shall only be paid if
7 accompanied by sufficient supporting documentation.

8 With input from appropriate stakeholders, the bill requires
9 HHS to identify each contract that will be impacted by the
10 provisions relating to the ECFS system and the initiative. On
11 or before June 30, 2027, each party to a contract identified by
12 HHS shall exercise the option, if available pursuant to the terms
13 of the contract, to terminate the contract. Contracts that do
14 not provide for termination shall not be renewed or extended at
15 the end of the current contract term.

16 An area board, an area director, or any agent of an area or
17 area board, and any subdivision of the state, shall not enter
18 into, renew, or extend a contract related to the initiative
19 or related activities if the term period of the contract would
20 extend, or the deliverables under the contract would be provided,
21 beyond June 30, 2027.

22 The bill provides that any unobligated or unencumbered moneys
23 remaining on June 30, 2027, in the early childhood Iowa fund,
24 and any account within the fund created pursuant to Code section
25 256I.11, shall not revert but shall be transferred to and
26 deposited in the ECFS fund.

27 The bill provides HHS with emergency rulemaking authority
28 during the transition period.

29 This division of the bill takes effect upon enactment.

30 DIVISION V — HEALTH AND HUMAN SERVICES DISTRICTS. The bill
31 directs HHS to divide the state into health and human services
32 districts (districts), as that term is defined in the bill,
33 to be used by HHS for statewide delivery of programs and
34 services. The initial district boundaries shall be the same
35 as the behavioral health district boundaries, as the behavioral

1 health district boundaries existed on July 1, 2025. HHS must
2 review the designation of the districts at least once every
3 seven consecutive fiscal years. The bill provides factors HHS
4 must consider when modifying a district, and modification is not
5 subject to judicial review.

6 This division of the bill is effective July 1, 2026, unless
7 the sections of 2026 Iowa Acts, LSB 5558 XD, amending Code
8 section 217.1 and enacting Code section 217.1B are enacted on or
9 before July 1, 2026.

10 DIVISION VI — CONFORMING CHANGES. The bill includes
11 conforming changes and this division takes effect July 1, 2027.

12 DIVISION VII — CHILD CARE WORKFORCE — STATE CHILD CARE
13 ASSISTANCE ELIGIBILITY. The bill provides that a child shall be
14 eligible for the state child care assistance (CCA) program under
15 Code section 237A.13 (state child care assistance) or 237A.14
16 (child care assistance — graduated eligibility phase-out) if a
17 parent, guardian, or custodian (custodian) is employed at a child
18 care facility or child care home that has an agreement with HHS
19 to accept reimbursement from the CCA program; works an average
20 minimum of 32 hours per week in a position with a primary duty
21 of providing child care directly to children; and meets several
22 other requirements specified in the bill. A child of a director,
23 co-director, or other administrative staff member (staff member)
24 may be eligible if the staff member is regularly counted in the
25 child-to-staff ratio established by the department. A custodian
26 of a child participating in the CCA program under the bill shall
27 make copayments as specified by HHS by rule.

28 The bill requires HHS to adopt rules to administer this
29 division of the bill. The division provides HHS with emergency
30 rulemaking authority. This division of the bill takes effect
31 upon enactment.

32 DIVISION VIII — CODE EDITOR DIRECTIVES. The bill provides
33 Code editor directives.