

Senate File 353 - Introduced

SENATE FILE 353

BY PETERSEN, WINCKLER, DONAHUE,
STAED, BLAKE, TRONE GARRIOTT,
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TOWNSEND, and CELSI

A BILL FOR

1 An Act relating to state child care assistance income eligibility
2 requirements, and child care provider reimbursement rates.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 237A.13, subsection 2, paragraph a, Code
2 2025, is amended to read as follows:

3 a. (1) (a) One On or before June 30, 2025, one hundred
4 sixty percent of the federal poverty level applicable to the
5 family size for children needing basic care.

6 (b) Beginning July 1, 2025, and ending June 30, 2026, one
7 hundred seventy percent of the federal poverty level applicable
8 to the family size for children needing basic care.

9 (c) Beginning July 1, 2026, and ending June 30, 2027, one
10 hundred eighty percent of the federal poverty level applicable to
11 the family size for children needing basic care.

12 (d) Beginning July 1, 2027, and ending June 30, 2028, one
13 hundred ninety percent of the federal poverty level applicable to
14 the family size for children needing basic care.

15 (e) On or after July 1, 2028, two hundred percent of the
16 federal poverty level applicable to the family size for children
17 needing basic care.

18 (2) (a) ~~Two~~ On or before June 30, 2025, two hundred percent
19 of the federal poverty level applicable to the family size for
20 children needing special needs care.

21 (b) Beginning July 1, 2025, and ending June 30, 2026, two
22 hundred ten percent of the federal poverty level applicable to
23 the family size for children needing special needs care.

24 (c) Beginning July 1, 2026, and ending June 30, 2027, two
25 hundred twenty percent of the federal poverty level applicable to
26 the family size for children needing special needs care.

27 (d) Beginning July 1, 2027, and ending June 30, 2028, two
28 hundred thirty percent of the federal poverty level applicable to
29 the family size for children needing special needs care.

30 (e) Beginning July 1, 2028, and ending June 30, 2029, two
31 hundred forty percent of the federal poverty level applicable to
32 the family size for children needing special needs care.

33 Sec. 2. Section 237A.13, subsection 4, Code 2025, is amended
34 to read as follows:

35 4. a. ~~The department shall set reimbursement rates as~~

1 authorized by appropriations enacted for payment of the
2 reimbursements. The department shall conduct a statewide
3 reimbursement rate survey to compile information on each county,
4 and the survey shall be conducted at least every two years.
5 The department shall set rates in a manner so as to provide
6 incentives for an unregistered provider to become registered.

7 b. The department shall ~~not modify~~ set reimbursement rates
8 ~~to~~ for the state child care assistance program ~~or financial~~
9 ~~eligibility requirements for a family participating in the state~~
10 ~~child care assistance program without prior enabling legislation~~
11 ~~in this state passed on or after January 1, 2023~~ at rates no less
12 than the sixty-fifth percentile, but no more than the eightieth
13 percentile, of the rates child care providers charge private pay
14 customers as reported in the most recently completed statewide
15 reimbursement rate survey.

16 EXPLANATION

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

19 This bill relates to the state child care assistance (CCA)
20 program income eligibility requirements and child care provider
21 (provider) reimbursement rates.

22 Under current law, for a child to be eligible for entry
23 into the CCA program, the child's family must have income below
24 160 percent of the federal poverty level (FPL) applicable to a
25 family's size for a child needing basic care, or 200 percent
26 of the FPL for a child needing special needs care. The bill
27 increases the CCA program income eligibility limit for children
28 needing basic care to 170 percent of the FPL for FY 2025-2026;
29 180 percent of the FPL for FY 2026-2027; 190 percent of the FPL
30 for FY 2027-2028; and 200 percent of the FPL on or after July
31 1, 2028. The bill increases the CCA program income eligibility
32 limit for children needing special needs care to 210 percent
33 of the FPL for FY 2025-2026; 220 percent of the FPL for FY
34 2026-2027; 230 percent of the FPL for FY 2027-2028; and 240
35 percent of the FPL on or after July 1, 2028.

1 The reimbursement rates paid to providers under the CCA
2 program are based on statewide reimbursement rate surveys that
3 the department of health and human services (HHS) conducts at
4 least every two years to collect data on providers' private pay
5 rates. Under current law, CCA reimbursement rates must be set
6 at rates no less than the 65th percentile, but no more than the
7 80th percentile, of rates child care providers charge private pay
8 customers as reported in the 2020 statewide reimbursement rate
9 survey. The bill requires HHS to base CCA reimbursement rates on
10 the most recently completed statewide reimbursement rate survey.

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