

Senate File 434 - Introduced

SENATE FILE 434

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A BILL FOR

1 An Act relating to the creation of a child care solutions fund,
2 and making an appropriation.

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

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1 Section 1. NEW SECTION. **237A.15 Child care solutions**
2 **fund.**

3 1. For purposes of this section:

4 a. "Child care worker" means a person employed by a child
5 care provider and whose primary duties involve the provision of
6 child care to children in this state.

7 b. "Community" means a geographic area designated by the
8 department under subsection 4.

9 c. "Fund" means the child care solutions fund created under
10 subsection 2.

11 2. A child care solutions fund is created within the state
12 treasury under the control of the department. The fund shall
13 consist of all of the following:

14 a. Moneys appropriated by the general assembly for the
15 purposes of this section.

16 b. Interest attributable to the investment of moneys in the
17 fund.

18 c. Moneys from gifts, devises, donations, and grants that are
19 intended to be used for the purposes of this section.

20 3. Moneys in the fund are appropriated to the department for
21 distribution to communities. Distributions shall provide a state
22 match of two dollars for every one dollar of private investment
23 a community obtains for the purpose of increasing the wages of
24 child care workers within the community.

25 4. a. The department shall establish eligibility
26 requirements for a geographic area to qualify for designation as
27 a community, and requirements for a geographic area to maintain
28 the community designation.

29 b. The department shall continue to designate communities
30 until the entire geographic area of the state is within a
31 community.

32 5. On or before January 1 of each year, the department shall
33 submit a report to the general assembly detailing all of the
34 following for the immediately preceding fiscal year:

35 a. The amount each community received from the fund.

1 b. The amount each community spent from the moneys the
2 community received from the fund, including the amount spent on
3 increasing the wages of child care workers within the community,
4 and the amount spent on administrative costs.

5 c. The number of child care providers that each community
6 supported with moneys from the fund.

7 d. The number of existing child care workers retained by
8 child care providers within each community as a result of moneys
9 the community received from the fund.

10 e. The number of new child care workers hired by child
11 care providers within each community as a result of moneys the
12 community received from the fund.

13 f. The number of additional child care slots created within
14 each community as a result of child care workers described under
15 paragraphs "d" and "e".

16 g. The number of private entities that contributed private
17 investment for state match under this section.

18 h. The number of private entities that pledged to contribute
19 private investment for state match under this section in the
20 immediately succeeding fiscal year.

21 6. The department shall adopt rules pursuant to chapter 17A
22 to administer this section.

23 Sec. 2. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD
24 CARE WAGE ENHANCEMENT PROJECT CONTINUATION. The department of
25 health and human services shall use the moneys in the child care
26 solutions fund created in section 237A.15 to continue to provide
27 state matching moneys to communities that received funds due
28 to the community's participation in the department's child care
29 wage enhancement project during the fiscal year beginning July 1,
30 2024, and ending June 30, 2025.

31 Sec. 3. DEPARTMENT OF HEALTH AND HUMAN SERVICES — CHILD CARE
32 SOLUTIONS FUND. There is appropriated from the general fund of
33 the state to the department of health and human services for the
34 fiscal year beginning July 1, 2025, and ending June 30, 2026, the
35 following amount, or so much thereof as is necessary, to be used

1 for the purposes designated:

2 For deposit in the child care solutions fund created in
3 section 237A.15:

4 \$ 6,000,000

5 EXPLANATION

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

8 This bill relates to the creation of a child care solutions
9 fund (fund) under the control of the department of health and
10 human services (HHS).

11 The bill defines "child care worker" as a person employed
12 by a child care provider and whose primary duties involve the
13 provision of child care to children in this state.

14 The bill defines "community" as a geographic area designated
15 by HHS. The bill also defines "fund".

16 The fund consists of moneys appropriated by the general
17 assembly for the purposes detailed in the bill; interest
18 attributable to the investment of moneys in the fund; and
19 moneys from gifts, devises, donations, and grants that are
20 intended to be used for the fund's purposes. Moneys in the
21 fund are appropriated to HHS for distributions to communities.
22 Distributions must be used to provide a state match of \$2 for
23 every \$1 of private investment a community obtains to increase
24 the wages of child care workers.

25 The bill requires HHS to establish eligibility requirements
26 for a geographic area to be designated as a community, and
27 for the geographic area to maintain the community designation.
28 HHS must continue to designate communities until the entire
29 geographic area of the state is within a community.

30 The bill requires HHS, on or before January 1 of each year,
31 to submit a report, as detailed in the bill, for the immediately
32 preceding fiscal year to the general assembly relating to the
33 fund, and the impact on communities who received money from the
34 fund.

35 The bill requires HHS to adopt rules to administer the fund.

1 The bill requires HHS to use the moneys in the fund to
2 continue to provide state matching moneys to communities that
3 received funds due to the community's participation in HHS's
4 child care wage enhancement project during FY 2024-2025.

5 The bill appropriates \$6 million to HHS for FY 2025-2026 for
6 deposit in the fund.

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