

Child Care Assistance

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Child Care Assistance (CCA) Appropriation

- Supports low income families with working parents, parents gaining work skills, or parents going to school.
- Supports the regulation of child care providers.
- Supports quality improvement activities for child care providers.



State and Federal Investments

State Fiscal Year 2020 (SFY20)

\$40.8 million

State Investment



\$115.4 million

Federal Investment



Supports to Low Income Families in SFY19

- An average of 24,109 children are served monthly.
- An average of 14,292 families are served monthly.
- 3,381 child care providers received CCA payments.

Child Care and Development Block Grant

- S. 1086 - Child Care and Development Block Grant Act of 2014 enacted November 19, 2014
- Commonly referred to as Reauthorization
- Addresses three components of the child care program
 - Training and quality improvement efforts
 - Regulation and monitoring
 - Eligibility and payment

Major Reauthorization Changes for Families

- Increased eligibility from 6 months to 12 months
- Developed an exit eligibility program: CCA Plus
- Provided continuation of services during temporary lapses
- Increased consumer education on website (including compliance/complaint reports and annual statistics)

Major Reauthorization Changes for Child Care Providers

- Implemented “Essentials” pre-service and orientation training.
- Emergency preparedness.
- Pre-registration visit for Child Development Homes.
- Annual visit for non-registered Child Care Homes with a provider agreement.

CCA Provider Rate Change

- Effective January 1, 2019
- Legislature passed and Governor enacted
- Currently all providers are paid at the 2017 Market Rate Survey
- Tiered approach for payment

Typical Family Served



Single parent, with two children

Current Family Financial Eligibility in Iowa

Child Care Assistance (CCA): 12-month eligibility for CCA when income is below 145% of the Federal Poverty Level (FPL).

- Annual re-determination

Current CCA Plus: 12-month exit eligibility program, for families with income over 145% FPL but under 85% of State Median Income (SMI).

- 85% SMI is approximately 289% FPL for household of three

Child Care and Development Fund Requirements

- Federal requirements (revised) do not permit 12-month limit for exit eligibility program
 - DHS must modify the current exit eligibility program to remove the one year time limit
 - DHS must modify the top of the exit eligibility program to an affordable and sustainable level

Exit Eligibility: CCA Plus

- The Governor's recommendation adjusts eligibility threshold up to 225% FPL without a time limit.
- This does not change entrance eligibility for the program (145% FPL).

Federal Poverty Level Thresholds for Household of Three

Federal Poverty Level (FPL)	Hourly 2020 (2019)	Monthly 2020 (2019)
145%	\$16.40 (\$16.11)	\$2,625 (\$2,578)
225%	\$25.45 (\$25.00)	\$4,073 (\$4,000)

Co-pay Structure

- Gradually increases as income increases.
- Families who are below 100% FPL do not have a co-pay.
- The federal benchmark for affordability is no more than 7% of family income.
- Child care providers know how much the family co-pay is and collect it.
- DHS payment to providers is net of co-pay.

Family of Three Co-Pay Example

- Monthly income of \$2,753 will pay a co-pay of \$4.70 per unit of care
- A unit of care is 5 hours
- 40 hr. work week equals 40 units a month, 10 units a week
- \$188.00 a month co-pay

Modify Infant/Toddler Definition

The Governor's recommendation relative to reimbursement definitions:

- **infant and toddler:** children age two weeks to three years.
 - **preschool:** would then include children three years to school age.
- This allows child care providers to be eligible to receive a higher maximum reimbursement rate for 2 year old children than what is currently received as the 'infant and toddler' rate is currently provided only up to 24 months of age.

Questions?

