

Child Care

Federal Child Care and Development Fund (CCDF)

Requirements

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Presentation to:

Health and Human Services Appropriations Subcommittee

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Federal Child Care and Development Fund (CCDF) Requirements

Federal CCDF Requirements for Lead Agency	Iowa Approach to Meeting Requirements
<p>CCDF Plan – By statute, Lead Agencies are required to have in place an ACF-approved CCDF Plan, describing how a Lead Agency will implement the provisions of the CCDBG Act and CCDF regulations to be submitted on a biennial basis.</p>	<p>The next plan is to be submitted in 2011 for FFY 2012 -2013.</p>
<p>Eligible Families – By statute, States may serve families whose parents are working or in education or training activities, and families whose children are receiving protective services. By statute, States may serve families whose income level does not exceed 85% of the State Median Income (SMI) for a family of the same size.</p>	<ul style="list-style-type: none"> • Iowa has set the ceiling up to 145% federal poverty level. Eligibility increased to 145% FPL effective September 1st, 2005. (200% FPL for children with special needs). • Employed for 28 or more hours per week, or employed an average of 28 or more hours per week during the month. • The parent is looking for employment, including travel time, for a maximum of 30 consecutive working days in a 12 month period. • Service as a volunteer in the AmeriCorps or AmeriCorps*Vista program for a minimum of 28 hours per week or an average of 28 or more hours per week during the month. • Formally enrolled full-time, as defined by the institution, in an approved educational or vocational training program. • Academic or vocational training must culminate in a specific goal, such as high school completion, improved English skills, or the development of specific academic or vocational skills. • Training may be approved for high school completion activities, adult basic education, GED, English as a second language, a college program which leads to an associate of arts degree, and a postsecondary education, up to and including a baccalaureate degree program.
<p>Eligible Children – By statute, a State may serve children under age 13 who are U.S. citizens or qualified legal aliens. By regulation, a State also may serve children under 19 who are under court supervision or mentally or physically incapable of self-care also know a special-needs children.</p>	<ul style="list-style-type: none"> • Children up to age 13 who live in families eligible for CCA • Children with special needs up to age 19 who live in families eligible for CCA
<p>Parental Choice of Eligible Providers – The statute provides for parental choice of child care provider. Parents may choose any legally operating child care provider.</p>	<p>In Iowa these would include:</p> <ul style="list-style-type: none"> • A licensed center-based child care provider • A registered child development home • Other provider of child care services for compensation, such as a legally operating non-registered child care home, or an in-home provider who satisfies health and safety requirements
<p>Establishing Priorities – By statute, States must give priority to children with special needs and to children from very low-income families.</p>	<p>Priority Populations:</p> <ul style="list-style-type: none"> • Special needs children • Children in families with very low income (100% fpl and below) • Families receiving TANF

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<p>Consumer Education – By statute, States must disseminate, to parents of eligible children and the general public, consumer education information that will promote informed child care choices.</p>	<p>Funds the Child Care Resource and Referral (CCR&R) system to develop and provide consumer education materials to parents and partners in communities.</p>
<p>Payment Method – The statute requires that the family offered CCDF-subsidized care be given the choice to enroll the child with a provider who has a grant or contract to provide services or to receive a child care certificate.</p>	<p>Iowa establishes a provider agreement for direct payment to the child care provider. The Provider Agreement contains the provider's name and address, identification number, and reimbursement rates. The Agreement also provides information to providers about billing, record keeping, change reporting, and other requirements.</p>
<p>Provider Payment Rates – By statute, a State's CCDF Plan "shall certify that payment rates for the provision of child care services for which assistance is provided [under the CCDF] are sufficient to ensure equal access for eligible children to comparable child care services in the State or sub-State area that are provided to children whose parents are not eligible to receive assistance [under the CCDF] or for child care assistance under any other Federal or State programs." Every state is required to conduct a market rate survey every two years to assess the going rates for child care.</p>	<ul style="list-style-type: none"> • Iowa currently pays at the average 2004 market rate, plus 2%. • Market rate survey was completed in December 2010. Private pay rates are pulled from the CCR&R database, with an assurance that all rates are updated by September of each year.
<p>Family Cost Sharing (Co-pay) – The statute requires that the family contribute to the cost of care on a sliding fee basis</p>	<ul style="list-style-type: none"> • Do not assess co-pay for families at or below 100% fpl, those participating in PROMISE JOBS program components or those families receiving services without regard to income due to a protective service situation. • The sliding fee schedule is applied based on the number of persons in the family, the income of that family, and how many children are in care. When more than one child is attending a child care program, there is no additional fee. The fee is based on the child who receives the most care.
<p>Limit on Administrative Costs – By statute, a State must spend no more than five percent of their CCDF funds (Discretionary, Mandatory, and State and Federal share of the Matching Funds) on administration. <u>Activities such as eligibility determination, child care placement, and providing parents with information about child care services are not considered administration.</u></p>	<ul style="list-style-type: none"> • This includes policy and fiscal administration, preparing and submitting federal reports, preparation and monitoring of the state plan and coordination efforts with other early childhood stakeholders. • Costs related to management information systems are not an allowable Administrative Cost., it is a program cost.
<p>Minimum Expenditures on Quality – By statute, States must spend at least four percent of their aggregate CCDF funds (Discretionary, Mandatory, and State and Federal share of the Matching Funds, including TANF Transfer) on activities to improve the quality and availability of child care.</p>	<p>Iowa meets or exceeds the required expenditure of the CCDF funds for quality improvement, primarily supporting child care wraparound contracts, CCR&R, QRS, and Healthy Child Care Iowa.</p>

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<p>Licensing of Providers – By statute, a State must certify that it has in effect licensing requirements applicable to child care services provided within the State. This includes the registration of child development homes.</p>	<p>Statue Citations:</p> <ul style="list-style-type: none"> • Iowa Code 237A • IAC 441 – 109 – Child Care Centers • IAC 441 – 110 –Child Development Homes
<p>Health & Safety – By statute, a State must certify that there are in place requirements designed to protect the health and safety of children that are applicable to the providers that serve CCDF children. The requirements shall include – prevention and control of infectious diseases (including immunization); building and physical premises safety; and minimum health and safety training appropriate to the provider setting. With the exception of relative providers, all providers of care to CCDF children, must meet the basic health and safety standards--whether through licensure or regulation or through requirements designed by the Lead Agency that apply to unregulated providers serving CCDF-subsidized families.</p>	<ul style="list-style-type: none"> • Licensed and registered providers meet regulatory health and safety factors. (IAC 441- Chapters 109 and 110) • Iowa has a self-certified health and safety checklist that must be submitted to the Department by non-registered child care homes
<p>Other Lead Agency responsibilities:</p> <ul style="list-style-type: none"> • Lead Agencies must have an audit conducted after the close of each program period and ensure that sub-grantees are audited in accordance with appropriate audit requirements. • Lead Agencies must submit fiscal and program reports as prescribed by the Department of Health and Human Services. • Lead Agencies must submit Plan amendments within 60 days of the effective date of substantial change in the program. 	<ul style="list-style-type: none"> • An audit is conducted each year. • DHS submits quarterly financial information to the federal agency (ACF-696) • DHS submits an annual case-data report to the federal agency (ACF – 800) • DHS submits a monthly case-data report to the federal agency (ACF -801) • Plan amendments are filed in a timely manner

Iowa's Child Care System

Goals - Actions

Opportunities - Challenges

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**IOWA DEPARTMENT OF HUMAN SERVICES
CHILD CARE – FEBRUARY 2011**

Iowa’s Child Care System

Many state and local players in the ‘constellation’ of the child care system – organized under Early Childhood Iowa

Key ECI state partners: Departments of Human Services, Education, Public Health, Economic Development, Workforce Development and Management

All partners in ECI have adopted a common vision for Iowa.

ECI Vision for Iowa: “Every child, beginning at birth, will be healthy and successful.”

DHS’ Contribution to the System & Vision – Our Role in Child Care

What are Our Guiding Principles?

- Child Focused Services
- Family Friendly Policies and Practices
- Fair to Providers

What is Our Goal?

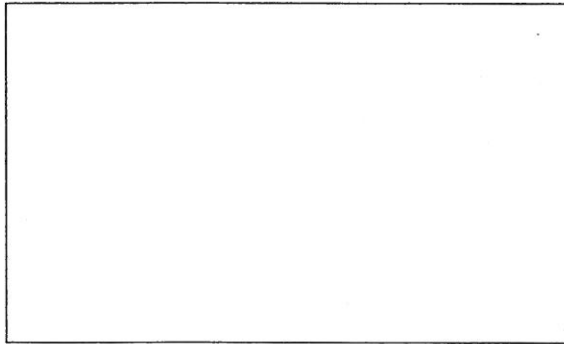
Child care services, and in particular children living in low income parents, are in safe, healthy, nurturing child care settings that promote child development and school-readiness

What Will We Do to Achieve the Goal?

- Support parent employment by providing and expanding good child care choices across the range of child care settings.
- Providing a solid foundation, through regulation for basic health and safety in child care settings.
- Providing a means for quality improvement through provider support, professional development, continuity of care and the quality rating system.

How Do we Support the Goals?

DHS Funding – SFY 11 Projections* CCDF / TANF / State General Funds		
<p>Child Care Assistance (CCA) \$ 102M</p> <p>Supports: 24,000 children served/month 7,000 providers paid/year</p>	<p>Regulatory \$4.7M</p> <p>Supports: Regulation - process and monitoring of 1500 licensed centers 5400 registered child development homes 4500 non-registered providers-paid</p> <p>Record Checks – Child Development Homes</p>	<p>Quality Improvement \$ 12.1M (includes FY '11 reduction) (including ECI transfer = \$6.3M)</p> <p>Supports:</p> <ul style="list-style-type: none"> • Quality Rating System • Child Care Resource & Referral • Wraparound contracts • KinderTrack/Training Registry • Healthy Child Care Iowa



and Non-Registered-Paid providers
Regulatory staff

- Contracts with community based agencies to support providers in: seeking post-secondary education; maintaining sustainable child care businesses; training and consultation on infant and toddler care; providing before and after school care
- + Early Childhood Iowa transfer (“pass through to ECI areas – funding decisions up to ECI area boards not DHS)

* Overview does not include all projected costs (administration, all child care service area costs, state funds for general admin, etc)

Key Challenges Facing us for SFY12

1. Closely monitor child care assistance caseloads and budget during the economic recovery as people return to work and may need child care assistance to maintain employment.
2. Pressure points:
 - Avoiding a waiting list
 - Maintaining basic health and safety standards
 - Maintaining current quality efforts
 - Maintaining monitoring expectations for child development homes

What Are the Key Activities We Are Focused On?

Support parent employment by providing and expanding good child care choices across the range of child care settings.

Initiative or Mandate	Action Taken or To be Taken	Opportunities	Challenges
Kindertrack (KT) – computer system for child care that issues payments; manages family cases for assistance; allows for on-line applications and searches for child care; provides child care data.	Fully implemented January 2010. Currently revising the Provider Portal to make it more user friendly for providers wishing to use it to process CCA payments	<ul style="list-style-type: none"> • Currently over 80% of CCA provider billings are completed on line. 	<ul style="list-style-type: none"> • When providers submit paper bills, it requires staff time to scan them into the KT system.
Centralized CCA eligibility and payment	All CCA eligibility and payment is now handled by the centralized unit in Des Moines. (Implemented 2010)	<ul style="list-style-type: none"> • Payments are being processed and paid timely over 95% each month • Fewer errors in determining eligibility. • Eligibility papers and bills can be dropped at local offices for forwarding to Des Moines. 	<ul style="list-style-type: none"> • New were brought on board to do the work. This required effective, just in time training. • Frustration has been expressed by providers and families that they can't go to the local office to talk with workers.
Market Rate Survey	Survey and analysis was completed in December 2010 – the analysis of private pay rates establishes new baseline for state reimbursement rates under CCA	<ul style="list-style-type: none"> • Provides current information on child care provider market. 	<ul style="list-style-type: none"> • Rates can't be adjusted without appropriation and legislative direction. • Information has been released. There may be pressure from advocates to raise CCA rates to the 2010 market rate.

Providing a solid foundation, through regulation for basic health and safety in child care settings.

Initiative or Mandate	Action Taken or To be Taken	Opportunities	Challenges
Implement a regulatory fee on licensed child care centers	Implemented June 2010.	<ul style="list-style-type: none"> The funds collected through fees are credited to the child care facility fund which is appropriated to the department for regulatory costs, record checks, technology expenses, and grants and fee waivers. 	<ul style="list-style-type: none"> Estimate \$65,400 will be collected in SFY12 forward – this will be insufficient to achieve regulatory staffing goals.
<p>Require fingerprint-based national criminal record check through the Federal Bureau of Investigation of the employees of licensed child care centers.</p> <p>Centers are responsible for completing state criminal, child abuse, dependent adult abuse and sex offender registry checks.</p>	<p>Implemented August 2010 for all new persons subject to state record check and all staff at the time of initial or renewal of license. Centers may access sign up for SING to conduct the checks. Fees are payable to Public Safety.</p> <p>DHS, at the October ARRC agreed to provide more clarification in rule regarding volunteers. The rules are in process to be effective June 1, 2011.</p>	<ul style="list-style-type: none"> Centers have been signing up for SING access. Any ‘cost savings’ DHS will realize is credited to the child care facility fund. It is estimated DHS will transfer \$115,000 annually. (Note: Combining the fee collections and ‘savings’, the total estimate credited to the fund is \$180,400.) 	<ul style="list-style-type: none"> The costs for state record checks, set by DPS, went up to \$15.00 since the legislation was passed. The cost is \$30.25 for staff and \$15.00 for volunteers. Have had to work intensively with higher education institutions to implement record checks for students out placed in child care centers. Even though centers have been required to have record checks for volunteers for more than a decade, the cost factor has become an issue. DHS has developed guidance for center directors to determine who needs a record check.
Increase the percent of child development homes with annual visits	In FY 2011, the target is 40%. The percent is to grow by 20% each successive year until 100% coverage.	<ul style="list-style-type: none"> Increased assurance that providers are in compliance with regulations and children are in healthy and safe settings. 	<ul style="list-style-type: none"> To accomplish, it is estimated we need to add, for each year of increased monitoring, two SW2 field staff at a cost of \$294,907. The total money available from the child care facility fund falls short by \$114,507. Staff reductions have impacted the ability to meet the target. Between 2008 and Sept. 2010 there has been a 19% reduction in SW 2

<p>It is the intent of the general assembly to enact required licensure of child development homes commencing on July 1, 2013. The department is to begin transition activities for the licensure of all child development homes.</p> <p>The transition activities <u>may</u> include all of the following:</p> <ol style="list-style-type: none"> 1. Public awareness campaign to inform providers of intended licensure requirement. 2. Implementation of a voluntary child development home licensing program on or after July 1, 2010. The department shall adopt rules for the voluntary program. 3. Transfer of costs savings for record checks to the child care facility fund. 4. Development of a plan for sustainable funding to support licensure of all child development homes. 	<p>A work group began working on the rules for implementing voluntary licensing in the fall of 2009. Membership included members of the state child care advisory council, specifically child development home providers.</p> <p>Action delayed as we have been concurrently developing the rules for center licensing fees and record checks.</p> <p>One staff person dedicated to the effort. Since the implementation of the fees and record check rules, the staff person has spent numerous hours assisting providers, institutions of higher learning and DHS field staff in implementing the rules.</p>		<p>and IM staff.</p> <p>From provider perspective:</p> <ul style="list-style-type: none"> • Uncertain pool of interest - no data or anecdotal to indicate a large interest by home providers in being licensed • It is estimated that 10% or less of providers would seek licensure. • Providers will pay licensing fees and costs for record checks. • Unclear “return on investment” for providers – difficult to address the “what’s in it for me” by becoming licensed. • Reimbursement – doesn’t affect the reimbursement under the state CCA program – their “market rate” hasn’t changed - all that is changing is <i>the process</i> by which they are regulated; therefore, their reimbursement remains the same as a registered home provider. <p>From parent perspective:</p> <ul style="list-style-type: none"> • Exemption of preclicensing visit – the law allows for the pre-licensing visit to be waived for the providers most likely to apply, thereby removing the essential element of licensing • Thus, the assurance to parents is no stronger than with the current structure used to register providers and conduct the monitoring. • Increased monitoring targets provide a better assurance for parents regarding the safety and quality of the overall provider population. <p>From the agency perspective:</p>
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Centralized Registration Unit – process registrations for child development homes	All child development home registration processing is now completed in the central office.	<ul style="list-style-type: none"> • Increased consistency in process and in compliance by providers • Improved communication between providers and DHS staff. 	<ul style="list-style-type: none"> • New staff were brought on board to do the work. This has required effective, just in time training. • Coordination with the local field staff is imperative as they conduct the compliance visits.

Providing a means for quality improvement through provider support, professional development, continuity of care and the quality rating system.

Initiative or Mandate	Action Taken or To be Taken	Opportunities	Challenges
<p>Child Care Resource and Referral (CCR&R): Five regional agencies deliver statewide parent referral services, on-site consultation and training for child care providers, and data/assessment services for community planning.</p> <p>Major activity is to provide training and on-site consultation so providers are in compliance with regulations</p>	<p>Intent to issue RFP in February 2011 for a new service delivery structure and service realignment.</p>	<ul style="list-style-type: none"> • Improved outcomes for service. • Improved ability for contractors to meet performance expectations without increased resources • Improved ability to meet providers and parents needs. 	<ul style="list-style-type: none"> • Major investment of staff time. Assigned staff are currently covering 2 other vacant positions. • The potential for new contractors will require an extensive amount of staff time in training and oversight during the first 1-2 years of the contract.
<p>Healthy Child Care Iowa (HCCI)</p> <p>Improve health and safety of child care settings through consultation, technical assistance and response to communicable disease outbreaks and emergencies/disasters.</p>	<p>Contract with IDPH for delivery of services</p>	<ul style="list-style-type: none"> • Improved coordination, communication, and response with local child care nurse consultants, CCR&R, and DHS staff. • Improved services to providers • Increased response to communicable disease and emergencies at the local level. 	<ul style="list-style-type: none"> • Funding resources to support the needs.
<p>Quality Rating System</p> <p>A voluntary, 5-star rating system that provides a menu of key indicators for providers to assess and improve the quality of their child care</p>	<p>Beginning in FY 2010, those providers who do not move up a level will only be granted 50% of bonus.</p> <p>Currently revising rules with recalibrated points, expansion of opportunities to earn points for all categories, etc. Changes to program effective February 2011.</p>	<ul style="list-style-type: none"> • More equitable system for all programs – points have been recalibrated to better align with research and to make points across the categories more comparable. • Better assurance of consistent quality for 	<ul style="list-style-type: none"> • Administering two different QRS programs for the overlap period of 2-1-11 to 7-30-11. This will require the administrative assistant to maintain information in numerous different databases and to track programs as they move from the old system to new.

		programs by requiring an independent, on-site assessment of all Level 5 programs.	<ul style="list-style-type: none"> • Need for new tracking system to better collect and be able to report out on data. • Sufficient staff time to effectively implement changes due to covering other vacant positions in the child care unit.
<p>Training Registry A companion component of the KinderTrack system.</p> <p>Centralized training calendar and repository for provider training.</p> <p>Allows providers to be able to view, register for, and keep a record of all completed training on-line as part of their requirements for registration and licensure</p> <p>Allows training organizations to post training opportunities and issue training certificates</p>	<p>Rolling out system in phased effort. First phase underway includes providing training for all training organizations.</p> <p>Some providers to begin using in January 2011 to enroll in trainings.</p>	<ul style="list-style-type: none"> • Improved access to available training for providers • Improved monitoring by DHS staff • Increased information made available to public regarding quality of child care providers. 	<ul style="list-style-type: none"> • Resources – staff and funding - to support users • Provider’s access to computers