SENATE FILE 445
BY COMMITTEE ON EDUCATION

(SUCCESSOR TO SSB 1135)

(As Amended and Passed by the Senate April 23, 2025)

_____ and [* = New Language by the Senate

= Language Stricken by the Senate

A BILL FOR

An Act relating to early childhood education and care, including by modifying provisions related to the statewide preschool program, the child development coordinating council, programs for at-risk children, the responsibilities of the department of education, the early childhood Iowa initiative, and the state child care assistance program, establishing the child care continuum partnership grants pilot program within the department of health and human services, making appropriations and reducing appropriations, and including effective date provisions.

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

DIVISION I

STATEWIDE PRESCHOOL PROGRAM

Section 1. Section 256.163, subsection 1, paragraph c, Code 2025, is amended to read as follows:

c. Preschool programs at school districts approved to participate in the preschool program, or at community-based providers approved to directly participate in the preschool program, under chapter 256C.

Sec. 2. Section 256C.1, subsection 1, Code 2025, is amended to read as follows:

1. *"Approved local program"* means a school district's program or community-based provider's program for four-year-old children approved by the department of education to provide ~~high-quality~~ high-quality preschool instruction.

Sec. 3. Section 256C.1, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. *"Community-based provider approved to directly participate in the preschool program"* means a community-based provider that meets the community-based provider requirements under section 256C.3 and has been approved by the department to directly participate in the preschool program. *"Community-based provider approved to directly participate in the preschool program"* does not mean a community-based provider that partners with a school district's approved local program.

Sec. 4. Section 256C.3, subsection 1, paragraph b, Code 2025, is amended to read as follows:

b. If space and funding are available, including funding from another school district account or fund from which preschool program expenditures are authorized by law, a school district approved to participate in the preschool program or community-based provider approved to directly participate in the preschool program may enroll and pay the cost of attendance for a younger or older child in the preschool program; however, the child shall not be counted for state funding purposes.

Sec. 5. Section 256C.3, subsection 2, paragraph a, subparagraph (1), Code 2025, is amended to read as follows:

(1) The individual is either employed by or under contract with the school district, or with the community-based provider approved to directly participate in the preschool program, that is implementing the program.

Sec. 6. Section 256C.3, subsection 3, unnumbered paragraph 1, Code 2025, is amended to read as follows:

The state board shall adopt rules to further define the following preschool program requirements which shall be used to determine whether or not a local program implemented by a school district approved to implement the preschool program or a community-based provider directly approved to implement the preschool program qualifies as an approved local program:

Sec. 7. Section 256C.3, subsection 3, paragraph h, Code 2025, is amended to read as follows:

h. Provision for ensuring that children receiving care from other child care arrangements can participate in the preschool program with minimal disruption due to transportation and movement from one site to another. The children participating in the preschool program may be transported by the school district or community provider to activities associated with the program along with other children.

Sec. 8. Section 256C.3, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 4A. *Community-based provider requirements.* The state board shall adopt rules to further define the following requirements of community-based providers approved to directly participate in the preschool program in implementing the preschool program:

a. Methods of demonstrating readiness to implement high-quality instruction in the local program shall be identified.

b. A community-based provider shall participate in data collection and performance measurement processes and reporting

as defined by rule.

c. Professional development for community-based provider preschool teachers shall be addressed in the community-based provider's professional development plan.

Sec. 9. Section 256C.3, subsection 5, paragraphs a, b, and d, Code 2025, are amended to read as follows:

a. The department shall implement an application and selection process for school district participation and community-based provider participation in the preschool program that includes but is not limited to the enrollment requirements provided under section 256C.4.

b. The department shall track the progress of students served by a school district preschool program or community-based provider preschool program and the students' performance in elementary and secondary education.

d. The state board, in collaboration with the department, shall ensure that the administrative rules adopted to support the preschool program emphasize that children's access to the program is voluntary, that the preschool foundation aid provided to a school district or a community-based provider is provided based upon the enrollment of eligible students in the school district's or community-based provider's local program regardless of whether an eligible student is a resident of the school district, and that agreements entered into by a school district for the provision of programming in settings other than the school district's facilities are between the school district and the private provider.

Sec. 10. Section 256C.4, subsection 1, Code 2025, is amended to read as follows:

1. ~~*General*~~ *State funding for school district approved to participate in the preschool program.*

a. State funding provided under the preschool program to school districts shall be based upon the enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program.

b. A school district approved to participate in the preschool program may authorize expenditures for the district's preschool programming from any of the revenue sources available to the district from the sources listed in chapter 298A, provided the expenditures are within the uses permitted for the revenue source. In addition, the use of the revenue source for preschool or prekindergarten programming must have been approved prior to any expenditure from the revenue source for the district's approved local program.

c. Funding provided under the preschool program is intended to supplement, not supplant, existing public funding for preschool programming.

d. Preschool foundation aid funding shall not be commingled with the other state aid payments made under section 257.16 to a school district and shall be accounted for by the local school district separately from the other state aid payments. Preschool foundation aid payments made to school districts are miscellaneous income for purposes of chapter 257. A school district shall maintain a separate listing within its budget for preschool foundation aid payments received and expenditures made. A school district shall certify to the department of education that preschool foundation aid funding received by the school district was used to supplement, not supplant, moneys otherwise received and used by the school district for preschool programming.

e. Preschool foundation aid funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by approved local programs and community providers for any purpose determined by the board of directors of the school district to meet standards for high-quality preschool instruction and for purposes that directly or indirectly benefit students enrolled in the approved local program, including but not limited to professional development for preschool teachers, instructional equipment and supplies,

material and equipment designed to develop pupils' large and small motor skills, translation services, playground equipment and repair costs, food and beverages used by children in the approved local program, safety equipment, facility rental fees, and for other direct costs that enhance the approved local program, including by contracting with community partners for any such services. Preschool foundation aid funding may be used by approved local programs for the costs of transportation involving children participating in the preschool program. The costs of transporting other children associated with the preschool program or transported as provided in section 256C.3, subsection 3, paragraph "*h*", may be prorated by the school district. Preschool foundation aid funding received by an approved local program that remains unexpended and unobligated at the end of a fiscal year beginning on or after July 1, 2017, shall be used to build the approved local program's preschool program capacity in the next succeeding fiscal year excluding that portion of such unexpended and unobligated funding that the school district authorizes for transfer for deposit in the school district's flexibility account established under section 298A.2, subsection 2, if the statutory requirements for the use of such funding are met. For purposes of determining whether a school district has authority to transfer preschool foundation aid funding for deposit in the school district's flexibility account established under section 298A.2, subsection 2, the school district must have provided preschool programming during the fiscal year for which funding remains unexpended and unobligated to all eligible students for whom a timely application for enrollment was submitted.

f. The receipt of funding by a school district for the purposes of this chapter, the need for additional funding for the purposes of this chapter, or the enrollment count of eligible students under this chapter shall not be considered to be unusual circumstances, create an unusual need for additional funds, or qualify under any other circumstances that

may be used by the school budget review committee to grant supplemental aid to or establish a modified supplemental amount for a school district under section 257.31.

g. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not more than five percent may be used by the school district for administering the district's approved local program. Outreach activities and rent for facilities not owned by the school district are permissive uses of the administrative funds.

h. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, of the amount of preschool foundation aid received by a school district for a fiscal year in accordance with section 257.16, not less than ninety-five percent of the per pupil amount shall be passed through to a community-based provider for each pupil enrolled in the district's approved local program. For the fiscal year beginning July 1, 2015, and each succeeding fiscal year, not more than ten percent of the amount of preschool foundation aid passed through to a community-based provider may be used by the community-based provider for administrative costs. The costs of outreach activities and rent for facilities not owned by the school district are permissive administrative costs. The costs of transportation involving children participating in the preschool program and other children may be prorated.

Sec. 11. Section 256C.4, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. *State preschool funding for community-based providers approved to directly participate in the preschool program.*

a. State preschool funding shall not be used for the costs of constructing a facility in connection with an approved local program. Preschool foundation aid funding may be used by community-based providers for any purpose determined by the

community-based provider to meet standards for high-quality preschool instruction and for purposes that directly or indirectly benefit students enrolled in the approved local program, including but not limited to professional development for preschool teachers, instructional equipment and supplies, material and equipment designed to develop pupils' large and small motor skills, translation services, playground equipment and repair costs, food and beverages used by children in the approved local program, safety equipment, facility rental fees, and for other direct costs that enhance the approved local program, including by contracting with other community partners for any such services. State preschool funding may be used by approved local programs for the costs of transportation involving children participating in the preschool program. Preschool foundation aid funding received by a community-based provider approved to directly participate in the preschool program that remains unexpended and unobligated at the end of a fiscal year shall be used to build the community-based provider's capacity in the next succeeding fiscal year.

b. For the fiscal year beginning July 1, 2025, and each succeeding fiscal year, of the amount of state preschool funding received by a community-based provider approved to directly participate in the preschool program for a fiscal year, not more than five percent may be used by the community-based provider for administering the approved local program. Outreach activities and rent for facilities not owned by the community-based provider are permissive uses of the administrative funds.

Sec. 12. Section 256C.4, subsection 2, paragraph a, Code 2025, is amended to read as follows:

a. To be included as an eligible student in the enrollment count of the preschool programming provided by a school district approved to participate in the preschool program or a community-based provider approved to directly participate in the preschool program, a child must be four years of age

by September 15 in the base year and attending the school district's or community-based provider's approved local program.

Sec. 13. Section 256C.5, subsection 1, paragraphs c and d, Code 2025, are amended to read as follows:

c. "Preschool budget enrollment" means the figure that is equal to fifty percent of the actual enrollment of eligible students in the preschool programming provided by a school district approved to participate in the preschool program or a community-based provider approved to directly participate in the preschool program on October 1 of the base year, or the first Monday in October if October 1 falls on a Saturday or Sunday.

d. "Preschool foundation aid" means the product of the regular program state cost per pupil for the budget year multiplied by the school district's preschool budget enrollment or the community-based provider's preschool budget enrollment.

Sec. 14. Section 256C.5, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 2A. *Preschool foundation aid community-based provider amount.* For the initial school year for which a community-based provider approved to directly participate in the preschool program receives that approval and implements the preschool program, the preschool foundation aid payable to the community-based provider is the product of the regular program state cost per pupil for the school year multiplied by fifty percent of the community-based provider's eligible student enrollment on the date in the school year determined by rule. For budget years subsequent to the initial year for which a community-based provider approved to directly participate in the preschool program receives that initial approval and implements the preschool program, the preschool foundation aid is the same as calculated pursuant to subsection 1. The funding for the preschool foundation aid payable to the community-based provider shall be paid from the appropriation

made in section 257.16. Continuation of a community-based provider's participation in the preschool program for a second or subsequent budget year is subject to the approval of the department based upon the community-based provider's compliance with accountability provisions and the department's on-site review of the community-based provider's implementation of the preschool program.

Sec. 15. Section 256C.5, subsection 3, Code 2025, is amended to read as follows:

3. *Aid payments.*

a. Preschool foundation aid shall be paid as part of the state aid payments made to school districts in accordance with section 257.16.

b. Preschool foundation aid paid directly to community-based providers shall be paid to the community-based provider in monthly installments beginning on September 15 of a budget year and ending on or about June 15 of the budget year as determined by the department of management, taking into consideration the relative budget and cash position of the state resources.

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

DIVISION II

CHILD DEVELOPMENT COORDINATING COUNCIL AND PROGRAMS FOR AT-RISK CHILDREN

Sec. 17. Section 256.9, subsection 28, Code 2025, is amended to read as follows:

28. Develop~~, in conjunction with the child development coordinating council or other similar agency,~~ child-to-staff ratio recommendations and standards for at-risk programs based

on national literature and test results and Iowa longitudinal test results.

Sec. 18. Section 256.9, subsection 31, paragraph b, Code 2025, is amended to read as follows:

b. Standards and materials developed shall include materials which employ developmentally appropriate practices and incorporate substantial parental involvement. The materials and standards shall include alternative teaching approaches including collaborative teaching and alternative dispute resolution training. ~~The department shall consult with the child development coordinating council, the department of health and human services, the state board of regents center for early developmental education, the area education agencies, the department of human development and family studies in the college of human sciences at Iowa state university of science and technology, the early childhood elementary division of the college of education at the university of Iowa, and the college of education at the university of northern Iowa, in developing these standards and materials.~~

Sec. 19. Section 256.163, subsection 1, paragraph d, Code 2025, is amended to read as follows:

d. Shared visions programs receiving grants from the ~~child development coordinating council~~ department of education under section 256A.3.

Sec. 20. Section 256A.3, Code 2025, is amended to read as follows:

256A.3 Duties of ~~council~~ the department of education.

The ~~child development coordinating council~~ department of education shall promote the provision of child development services to at-risk three-year-old and four-year-old children, and shall do all of the following:

1. Develop a definition of at-risk children for the purposes of this chapter. The definition shall include income, family structure, the child's level of development, and availability or accessibility for the child of a head start or other child

care program as criteria.

~~2. Establish minimum guidelines for comprehensive early child development services for at-risk three-year-and four-year-old children. The guidelines shall reflect current research findings on the necessary components for cost-effective child development services.~~

~~3. At least biennially, develop an inventory of child development services provided to at-risk three-year- and four-year-old children in this state and identify the number of children receiving and not receiving these services, the types of programs under which the services are received, the degree to which each program meets the council's minimum guidelines for a comprehensive program, and the reasons children not receiving the services are not being served. The council is not required to conduct independent research in developing the inventory, but shall determine information needs necessary to provide a more complete inventory.~~

~~4.~~ 2. Subject to the availability of funds appropriated or otherwise available for the purpose of providing child development services, award grants for programs that provide new or additional child development services to at-risk children.

a. In awarding program grants to an agency or individual, the ~~council~~ department of education shall consider the following:

(1) The quality of the staff and staff background in child development services.

(2) The degree to which the program is or will be integrated with existing community resources and has the support of the local community.

(3) The ability of the program to provide for child care in addition to child development services for families needing full-day child care.

(4) A staff-to-children ratio ~~within the guidelines established under subsection 2, but~~ not less than one staff

member per eight children.

(5) The degree to which the program involves and works with the parents, and includes home visits, instruction for parents on parenting skills, on enhancement of skills in providing for their children's learning and development, and the physical, mental, and emotional development of children, and experiential education.

(6) The manner in which health, medical, dental, and nutrition services are incorporated into the program.

(7) The degree to which the program complements existing programs and services for at-risk three-year-old and four-year-old children available in the area, including other child care services, services provided through the school district, and services available through area education agencies.

~~(8) The degree to which the program can be monitored and evaluated to determine its ability to meet its goals.~~

~~(9)~~ (8) The provision of transportation or other auxiliary services that may be necessary for families to participate in the program.

~~(10)~~ (9) The provision of staff training and development, and staff compensation sufficient to assure continuity.

b. Program grants funded under this subsection may integrate children not meeting at-risk criteria into the program and shall establish a fee for participation in the program in the manner provided in section 279.49, but grant funds shall not be used to pay the costs for those children.

c. Programs awarded grants under this subsection shall meet the national association for the education of young children program standards and accreditation criteria, the Iowa quality preschool program standards and criteria, or other approved program standards as determined by the department of education. Programs awarded grants prior to July 1, 2015, shall continue to be evaluated and assessed based on eligibility and award criteria established under rules adopted by the state board of

education pursuant to section 279.51 prior to June 30, 2015.

~~5.~~ 3. Encourage the submission of grant requests from all potential providers of ~~child development services~~ statewide voluntary preschool programming and shall be flexible in evaluating grants, recognizing that different types of programs may be suitable for different locations in the state.

a. Requests for grants must contain a procedure for evaluating the effectiveness of the program and accounting procedures for monitoring the expenditure of grant moneys.

b. The ~~council~~ department of education shall seek to use performance-based measures to evaluate programs. Not more than five percent of any state funds appropriated for child development purposes may be used for administration and evaluation.

~~6.~~ 4. Annually, submit recommendations to the governor and the general assembly on the need for investment in child development services in the state.

~~7.~~ 5. Subject to a decision by the ~~council~~ department of education to initiate the programs, develop criteria for and award grants under section 279.51, subsection 2.

~~8. Encourage the establishment of programs that will enhance the skills of parents in parenting and in providing for the learning and development of their children.~~

Sec. 21. Section 256A.4, subsection 2, paragraph g, Code 2025, is amended to read as follows:

g. Role modeling and mentoring techniques for families of children who meet one or more of the criteria established for the definition of at-risk children by the ~~child development coordinating council~~ department of education.

Sec. 22. Section 256A.5, subsection 2, Code 2025, is amended by striking the subsection.

Sec. 23. Section 256C.3, subsection 3, paragraph e, Code 2025, is amended to read as follows:

e. Collaboration with participating families, early care providers, and community partners including but not limited to

early childhood Iowa area boards, head start programs, shared visions and other programs provided under the auspices of the ~~child development coordinating council~~ department, licensed child care centers, registered child development homes, area education agencies, child care resource and referral services provided under section 237A.26, early childhood special education programs, services funded by Tit. I of the federal Elementary and Secondary Education Act of 1965, and family support programs.

Sec. 24. Section 256C.3, subsection 4, paragraph a, Code 2025, is amended to read as follows:

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

Sec. 25. Section 262.71, subsection 8, Code 2025, is amended by striking the subsection.

Sec. 26. Section 273.2, subsection 6, unnumbered paragraph 1, Code 2025, is amended to read as follows:

The area education agency board may provide for the

following programs and services to local school districts, and at the request of local school districts to providers of child development services who have received grants under chapter 256A from the ~~child development coordinating council~~ department of education, within the limits of funds available:

Sec. 27. Section 279.51, subsection 1, Code 2025, is amended to read as follows:

1. There is appropriated from the general fund of the state to the department of education for the fiscal year beginning July 1, ~~2007~~ 2025, and each succeeding fiscal year, the sum of ~~twelve million six hundred six thousand one hundred ninety-six~~ ten million five hundred twenty-four thousand three hundred eighty-nine dollars. The moneys shall be allocated as follows:

a. ~~Two hundred seventy-five thousand eight hundred sixty-four~~ Two hundred twenty-nine thousand two hundred sixty-two dollars of the funds appropriated shall be allocated to the area education agencies to assist school districts in developing program plans and budgets under this section and to assist school districts and child development programs under section 256A.3 in meeting other responsibilities in early childhood education.

b. For the fiscal year beginning July 1, ~~2007~~ 2025, and for each succeeding fiscal year, ~~eight million five hundred thirty-six thousand seven hundred forty~~ ten million twelve thousand five hundred twenty-seven dollars of the funds appropriated shall be allocated to the ~~child development coordinating council established in chapter 256A~~ department of education for the purposes set out in subsection 2, ~~of this section and~~ section 256A.3, and to be used as grants to early childhood programs that demonstrate the greatest need for programs for at-risk children and the families of at-risk children.

~~*c.* For the fiscal year beginning July 1, 2007, and for each fiscal year thereafter, three million five hundred ten thousand nine hundred ninety-two dollars of the funds~~

~~appropriated shall be allocated as grants to school districts that have elementary schools that demonstrate the greatest need for programs for at-risk students with preference given to innovative programs for the early elementary school years. School districts receiving grants under this paragraph shall at a minimum provide activities and materials designed to encourage children's self-esteem, provide role modeling and mentoring techniques in social competence and social skills, and discourage inappropriate drug use. The grant allocations made in this paragraph may be renewed for additional periods of time. Of the amount allocated under this paragraph for each fiscal year, seventy-five thousand dollars shall be allocated to school districts which have an actual student population of ten thousand or less and have an actual non-English speaking student population which represents greater than five percent of the total actual student population for grants to elementary schools in those districts.~~

~~*d.*~~ *c.* Notwithstanding section 256A.3, subsection ~~5~~ 3, of the amount appropriated in this subsection for the fiscal year beginning July 1, ~~2007~~ 2025, and for each succeeding fiscal year, up to two hundred eighty-two thousand six hundred dollars may be used for administrative costs.

Sec. 28. Section 279.51, subsection 2, paragraph a, unnumbered paragraph 1, Code 2025, is amended to read as follows:

Funds allocated under subsection 1, paragraph "*b*", shall be used by the ~~child development coordinating council~~ department of education for the following:

Sec. 29. Section 279.51, subsection 2, paragraph a, subparagraphs (1) and (2), Code 2025, are amended to read as follows:

(1) To continue funding for programs previously funded by grants awarded under section 256A.3 and to provide additional grants under section 256A.3. The ~~council~~ department shall seek to provide grants on the basis of the location within the state

of children meeting at-risk definitions.

(2) At the discretion of the ~~child development coordinating council~~ department of education, award grants ~~for the following:~~

~~(a) To~~ to school districts to establish programs for three-year-old~~,~~ and four-year-old~~, and five-year-old~~ at-risk children.

~~(b) To provide grants to provide educational support services to parents of at-risk children age birth through three years.~~

Sec. 30. Section 279.51, subsection 2, paragraph b, Code 2025, is amended to read as follows:

b. A grantee under this subsection may direct the use of moneys received to serve any qualifying child ranging in age from three years old to ~~five~~ four years old, regardless of the age of population indicated on the grant request in its initial year of application. A grantee is encouraged to consider the degree to which the program complements existing programs and services for three-year-old~~,~~ and four-year-old~~, and five-year-old~~ at-risk children available in the area, including other child care and preschool services, services provided through a school district, and services available through an area education agency.

Sec. 31. Section 279.51, subsection 3, Code 2025, is amended by striking the subsection.

Sec. 32. REPEAL. Section 256A.2, Code 2025, is repealed.

DIVISION III

DEPARTMENT OF EDUCATION RESPONSIBILITIES

Sec. 33. Section 256.9, Code 2025, is amended by adding the following new subsections:

NEW SUBSECTION. 69. *a.* Review and conduct research related to the most effective evidence-based curricula, instructional materials, and evidence-based or promising practices used in prekindergarten programs and in preschools, which shall include a review of the curricula and instructional materials used by

prekindergarten programs in this state, preschool programs serving children with individualized education programs, and preschool programs created in accordance with chapters 256A and 256C.

b. Develop and make available on the department's internet site a list of the most effective evidence-based curricula, instructional materials, and evidence-based or promising practices for prekindergarten programs and preschools.

NEW SUBSECTION. 70. *a.* Develop a preschool accountability system representing, at minimum, developmental and learning outcomes and continuous implementation of high-quality program standards for school districts offering a prekindergarten program, accredited nonpublic schools offering a prekindergarten program, prekindergarten and preschool programs serving children with individualized education programs, and preschool programs created in accordance with chapters 256A and 256C. The preschool accountability system must utilize, at minimum, data from child performance and growth measures described in section 279.60, continuous improvement activities described in chapters 256A and 256C, and other measures and activities defined by the department.

b. Provide, in coordination with the department of health and human services, an alignment of an outcomes-based accountability system for school districts offering a prekindergarten program, accredited nonpublic schools offering a prekindergarten program, preschool programs serving children with individualized education programs, and preschool programs created in accordance with chapters 256A and 256C. The outcomes-based accountability system shall take into account the voluntary quality rating system established pursuant to section 237A.30.

NEW SUBSECTION. 71. *a.* Review and revise the state early learning standards and standards related to preschool programs serving children with individualized education programs and preschool programs created in accordance with chapters 256A and

256C.

b. Provide professional development services to school districts offering a prekindergarten program, accredited nonpublic schools offering a prekindergarten program, preschool programs serving children with individualized education programs, and preschool programs created in accordance with chapters 256A and 256C to assist such programs in implementing the revised early learning standards, preschool assessments, high-quality program standards, and standards related to preschool programs.

DIVISION IV

EARLY CHILDHOOD IOWA INITIATIVE

Sec. 34. Section 256I.1, subsection 4, Code 2025, is amended to read as follows:

4. *"Early childhood Iowa area"* means a geographic area designated by the department in accordance with this chapter.

Sec. 35. Section 256I.4, subsection 3, Code 2025, is amended by striking the subsection.

Sec. 36. Section 256I.6, subsection 2, Code 2025, is amended by striking the subsection and inserting in lieu thereof the following:

2. The department shall designate early childhood Iowa areas in the same number and using the same geographic boundaries as the behavioral health districts designated by the department pursuant to section 225A.4, as enacted by 2024 Iowa Acts, ch. 1161.

Sec. 37. Section 256I.6, subsections 3 and 4, Code 2025, are amended by striking the subsections.

Sec. 38. Section 256I.8, subsection 1, Code 2025, is amended by adding the following new paragraph:

NEW PARAGRAPH. *h.* Implement evidence-based services that are eligible for funding under the federal Social Security Act, Tit. IV-E.

Sec. 39. Section 256I.9, subsection 4, paragraphs a, b, and c, Code 2025, are amended to read as follows:

a. A school ready children grant shall be awarded to an area board annually, as funding is available. Receipt of continued funding is subject to submission of the required annual report data and the state board's determination that the area board is making progress, through the use of specific, quantifiable performance measures and locally identified community-wide indicators, toward achieving the desired results and other results identified in the community plan. Each area board shall participate in the ~~designation~~ process to measure the ~~area's~~ area board's success. If the use of performance measures and community-wide indicators does not show that an area board has made progress toward achieving the results identified in the community plan, the state board shall require a plan of corrective action, provide technical assistance, withhold any increase in funding, or withdraw grant funding.

b. The state board shall distribute school ready children grant moneys to area boards with approved comprehensive community plans based upon a determination of ~~an early childhood Iowa area's designation~~ the success of the area board.

c. An area board's ~~designation~~ success shall be determined by evidence of successful collaboration among public and private early care, education, health, and human services interests in the area or a documented program design that supports a strong likelihood of a successful collaboration between these interests.

Sec. 40. Section 256I.11, subsection 4, paragraph a, Code 2025, is amended to read as follows:

a. An early childhood programs grant account is created in the fund under the authority of the director of the department. Moneys credited to the account are appropriated to and shall be distributed by the department in the form of grants to early childhood Iowa areas that the department determines are eligible pursuant to criteria established by the state board in accordance with law. ~~The criteria shall include but are not~~

~~limited to a requirement that an early childhood Iowa area must be designated by the state board in order to be eligible to receive an early childhood programs grant.~~

Sec. 41. NEW SECTION. **256I.11A Early childhood Iowa initiative — use of funding.**

The department shall not do any of the following:

1. Use state moneys that are appropriated for the early childhood Iowa initiative to supplant existing programs, services, or activities funded by other funding sources.

2. Use state moneys appropriated for the early childhood Iowa initiative for child care assistance for an individual who is otherwise eligible for the state child care assistance program established pursuant to section 237A.13, unless the individual provides documentation to the department demonstrating denial of eligibility for the state child care assistance program.

Sec. 42. EFFECTIVE DATE. This division of this Act takes effect July 1, 2026.

DIVISION V

CHILD CARE WORKFORCE — STATE CHILD CARE ASSISTANCE ELIGIBILITY

Sec. 43. NEW SECTION. **237A.13A State child care assistance — child care workforce.**

1. Notwithstanding any provision of section 237A.13 to the contrary, a child shall be eligible for the state child care assistance program under section 237A.13 if a parent, guardian, or custodian meets all of the following requirements, as applicable:

a. The parent, guardian, or custodian is employed at a child care facility or child care home that has an agreement with the department to accept reimbursement from the state child care assistance program.

b. The parent, guardian, or custodian works in a child care facility or child care home an average minimum of thirty-two hours per week during the month in a position with a primary duty of providing child care directly to children,

and is regularly counted in the minimum child-to-staff ratio established by the department by rule.

c. If the parent, guardian, or custodian is employed at a child care home or a child development home, the parent, guardian, or custodian does not provide child care to the parent, guardian, or custodian's own child. A co-provider at a child development home may qualify for state child care assistance if the person meets all the requirements specified in this section and by the department by rule.

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

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

f. The parent, guardian, or custodian is not the owner of the child care facility or child care home where the children are enrolled.

2. A director, co-director, or other administrative staff member of a child care facility may qualify for state child care assistance pursuant to subsection 1 if such person is regularly counted in the minimum child-to-staff ratio established by the department by rule.

3. A person participating in the state child care assistance program pursuant to eligibility established under this section shall make copayments based on the person's household income for services received from the program.

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

DIVISION VI

CHILD CARE CONTINUUM PARTNERSHIP GRANTS — PILOT PROGRAM

Sec. 44. Section 256I.11, Code 2025, is amended by adding the following new subsection:

NEW SUBSECTION. 6. *a.* A child care continuum partnership grants pilot program account is created in the fund under the

New language

authority of the director of the department. Beginning July 1, 2026, the department shall credit not more than eleven million dollars to the account annually. Moneys credited to the account are appropriated to and shall be used by the department to create and administer, in collaboration with early childhood Iowa area boards created pursuant to section 256I.7 and the department of education, a child care continuum partnership grants pilot program.

b. (1) On or before November 1, 2025, the department shall publish information on the department's internet site related to the opportunities available under the child care continuum partnership grants pilot program.

(2) Beginning July 1, 2026, the child care continuum partnership grants pilot program shall award competitive grants to partnerships between providers of statewide voluntary preschool programming and child care centers licensed pursuant to chapter 237A to provide full-day early childhood education and care programming for participants in the statewide voluntary preschool program created in accordance with chapter 256C.

c. The department shall maintain discretionary funding for local decision making relating to the early childhood initiative.

d. In addition to the appropriation in paragraph "*a*", beginning July 1, 2025, the department shall credit not more than five million dollars to the child care continuum partnership grants pilot program account from the amounts appropriated to the department pursuant to the portion of 2025 Iowa Acts, Senate File 626, that appropriates moneys in the amounts anticipated to be received from the federal government under 42 U.S.C. ch. 105, subch. II-B, or any successor legislation, if enacted. Moneys credited to the account pursuant to this paragraph are appropriated to and shall be used by the department to create and administer, in collaboration with early childhood Iowa area boards created

pursuant to section 256I.7 and the department of education, the child care continuum partnership grants pilot program.

e. The department shall adopt rules pursuant to chapter 17A as necessary to administer the child care continuum partnership grants pilot program.

f. This subsection is repealed July 1, 2029.

DIVISION VII

EARLY CHILDHOOD IOWA AREA BOARDS — REPORTING

Sec. 45. EARLY CHILDHOOD IOWA AREA BOARDS — MONTHLY REPORTING REQUIREMENTS. On a monthly basis beginning July 1, 2025, and ending June 30, 2026, each early childhood Iowa area board shall submit a report to the department of health and human services that includes a detailed monetary accounting of the early childhood Iowa area board's expenditures during the preceding month.