

Child Care Assistance



Purpose

The Child Care Assistance (CCA) Program supports low-income families with working parents, parents gaining work skills, or parents going to school. In addition to paying for child care, this appropriation supports the regulation of child care providers and quality improvement activities.

Who Is Helped

Child Care Assistance provides financial assistance for children under the age of 13 in:

- Families whose parents are: (1) working at least 28 hours per week; or (2) in school full time; or (3) are working and in school for a combined minimum of 28 hours per week; and (4) have income below 145 percent of the Federal Poverty Level (FPL).
- Families with children with special needs where parents are working or are in school full time with incomes up to 200 percent FPL.

The Child Care Development Block Grant (CCDBG) Act of 2014, and federal regulations implementing the Act, provide families with opportunities for additional months of CCA coverage, effective SFY17.

- States are required to use a 12-month certification period compared to the 6-month period previously used in Iowa.
- An exit eligibility program, CCA Plus, is available for 12 months to families at re-certification if they meet eligibility requirements but are over 145 percent FPL but under 85 percent of the state median income.
- Families with a temporary lapse (less than three months) in work or other activities qualifying for CCA, including maternity leave, job loss, school breaks, etc., will maintain eligibility during that time.

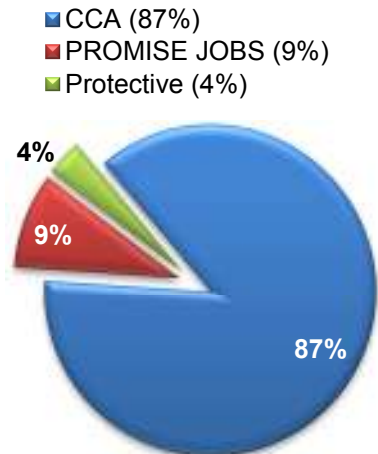
Families receiving Family Investment Program benefits and participating in certain PROMISE JOBS (PJ) activities can receive financial assistance for children under the age of 13.

Protective Child Care is available to children who have been abused or neglected.

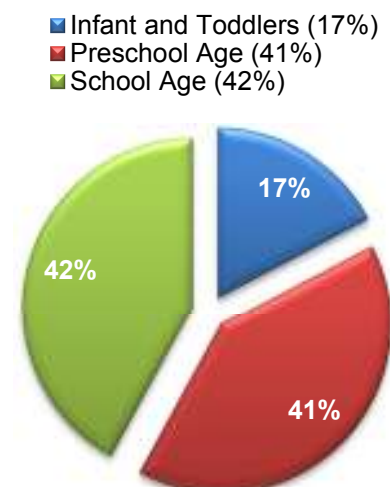
In SFY16, 37,486 children were served.

- A monthly average of 21,111 children received a child care service, a 0.9 percent decrease from SFY15.
- Caseloads for Child Care Assistance and Protective Child Care are expected to increase in SFY17 and SFY18, while the PROMISE JOBS caseload is expected to continue to decrease both years, but at a slower rate.

Number of Children Served SFY16



Ages of Children Served SFY16



	<ul style="list-style-type: none"> Child Care Assistance caseloads are expected to continue to increase in SFY19, while caseloads for Protective Child Care and PROMISE JOBS remain at SFY18 levels. <p>The average CCA child is under age five, has one sibling, and lives in a one-parent family. The parent is working. The family income is below 100 percent of the FPL and therefore does not have a co-pay for services.</p>																																																	
	<ul style="list-style-type: none"> ✓ <i>The 2016 Federal Poverty Level for a family of three is \$20,160. A family of three can earn up to \$29,232 annual gross wages and remain eligible for CCA.</i> ✓ <i>In SFY16, 94.7 percent of families needing child care were employed; this is no change from SFY15.</i> 																																																	
<p>Services</p>	<p>The Child Care Assistance program allows parents to choose their child care provider. Providers include:</p> <ul style="list-style-type: none"> 1,488 licensed child care centers. 3,207 registered child care development homes. In-home providers caring for six or more children at one time must register. 1,379 legally operating, non-registered providers who receive payment under the CCA program. Providers caring for five or fewer children at one time are not required to be regulated. <p>Activities other than child care assistance funded by this appropriation:</p> <ul style="list-style-type: none"> The five Child Care Resource and Referral contracts and the 17 wraparound child care contracts both increase access to quality services/providers. Management and oversight of these contracts is performed by General Administration staff. The Quality Rating System (QRS) identifies and promotes quality in child care services. The QRS is voluntary for providers. Management and oversight for this program is performed by General Administration staff. Regulatory activities which are carried out by Field Operations and General Administration staff. <p>In addition, Child Care Assistance and Protective Child Care eligibility and payment activities are performed by DHS Field Operations. PROMISE JOBS child care eligibility activities are performed by Iowa Work Force Development staff.</p>	<p>Average Monthly Number of Children Served</p> <table border="1"> <caption>Average Monthly Number of Children Served</caption> <thead> <tr> <th>Year</th> <th>CCA</th> <th>PROMISE JOBS</th> <th>Protective</th> </tr> </thead> <tbody> <tr> <td>SFY14</td> <td>19,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>SFY15</td> <td>18,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>SFY16</td> <td>18,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>SFY17 est</td> <td>21,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>SFY18 est</td> <td>22,000</td> <td>2,000</td> <td>1,000</td> </tr> <tr> <td>SFY19 est</td> <td>22,000</td> <td>2,000</td> <td>1,000</td> </tr> </tbody> </table> <p>Expenditures By Type</p> <table border="1"> <caption>Expenditures By Type (Millions)</caption> <thead> <tr> <th>Year</th> <th>CCA</th> <th>PROMISE JOBS</th> <th>Protective</th> </tr> </thead> <tbody> <tr> <td>SFY14</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY15</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY16</td> <td>85</td> <td>10</td> <td>5</td> </tr> <tr> <td>SFY17 est</td> <td>95</td> <td>10</td> <td>5</td> </tr> </tbody> </table>	Year	CCA	PROMISE JOBS	Protective	SFY14	19,000	2,000	1,000	SFY15	18,000	2,000	1,000	SFY16	18,000	2,000	1,000	SFY17 est	21,000	2,000	1,000	SFY18 est	22,000	2,000	1,000	SFY19 est	22,000	2,000	1,000	Year	CCA	PROMISE JOBS	Protective	SFY14	85	10	5	SFY15	85	10	5	SFY16	85	10	5	SFY17 est	95	10	5
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	<ul style="list-style-type: none"> ✓ <i>More than 82 percent of child care bills are submitted electronically.</i> ✓ <i>100 percent of child care centers are visited annually.</i> ✓ <i>In working toward a target of monitoring 100% of child development homes, 98% had on-site visits last year.</i> 																																																	

Goals & Strategies

Goal: Improve Iowans' Employment and Economic Security

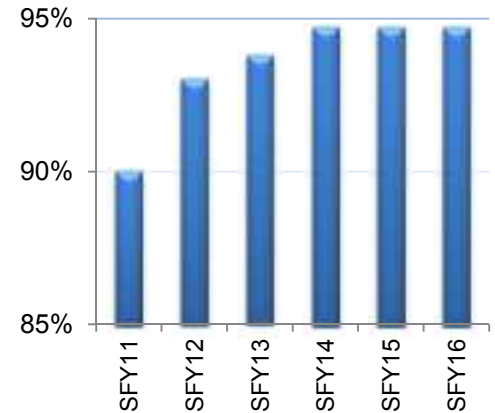
Strategies:

- Provide child care assistance to support working families.
- Promote the use of quality child care services.
- Ensure child care payments are made timely.

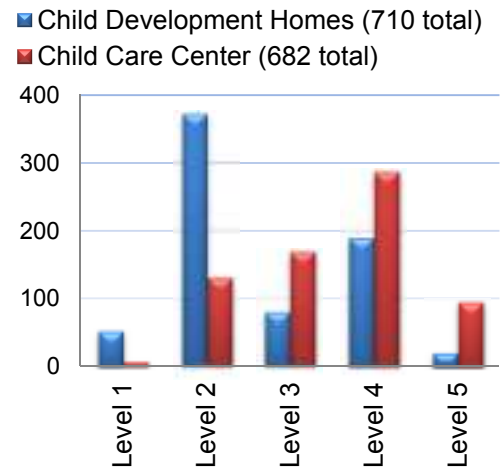
SFY16 Results

- 94.7 percent of families paid under CCA received assistance due to employment.
- 92 percent of children were cared for in regulated settings.
- 92 percent of all CCA expenditures were made to regulated providers.
- 99.7 percent of correctly submitted child care bills were paid within 10 days.

Percentage of CCA Families Employed



QRS Level Achieved June 2016



- ✓ *The Child Care Development Block Grant (CCDBG) Act of 2014, "Reauthorization", made significant policy changes across the subsidy, regulatory and quality improvement components of the child care system. The Act also authorized funding increases over five years. Iowa was allocated about \$2.3 million in additional funds for FFY16.*
- ✓ *Federal funding for CCDF is partially subject to annual sequestration reductions required under the Budget Control Act of 2011 (BCA, P.L. 112-25). The impact of future sequestration is unknown and has not been included in CCDF funding estimates.*

Cost of Services

The average annual child care assistance benefit per child in SFY16 was \$4,810.

The average annual child care assistance benefit per child in SFY17 is estimated at \$4,815.

- ✓ *Current child care reimbursement rates are based on a 2004 Market Rate Study (MRS). The Child Care and Development Fund (CCDF) regulations require states to conduct a MRS every three years and to set their rates based on that information to assure access.*

<p>Funding Sources</p>	<p>Child Care Assistance programs are funded by state general funds and federal funds, including the Child Care Development Fund (CCDF) and TANF (Temporary Assistance for Needy Families).</p> <p>The total Child Care Assistance budget for SFY17 is \$129,029,410:</p> <ul style="list-style-type: none"> • \$40,216,046 (31 percent) state general fund • \$88,813,364 (69 percent) federal <p>From SFY14 to SFY17, state funding for CCA has decreased by \$26,320,233, including a \$10 million de-appropriation in SFY16, or 42 percent. From SFY14-SFY16, the monthly average caseload decreased by 6.8 percent, while the average cost per child increased by just one percent. No additional state funds were requested in SFY17, despite an additional \$8 million projected cost for implementing policy changes required by the federal legislation.</p>	<p>SFY17 Funding</p> <ul style="list-style-type: none"> ■ State General Fund (31%) ■ Federal Funds (69%) <p>A 3D pie chart titled 'SFY17 Funding' showing the distribution of funding. The chart is divided into two segments: a blue segment representing 31% (State General Fund) and a red segment representing 69% (Federal Funds). The segments are slightly exploded from each other.</p>
	<ul style="list-style-type: none"> ✓ <i>The CCDF is a capped federal block grant. Child care is not a federal entitlement and there are a specific amount of federal funds available to states. Iowa consistently receives all available CCDF.</i> ✓ <i>Up to 30 percent of TANF funds can be transferred to CCDF and SSBG combined. The combined maximum amount is currently being transferred to those programs.</i> ✓ <i>CCDF Reauthorization, enacted in 2014, imposed a number of new requirements on states. Several of these changes require that Iowa provide additional months of CCA coverage and increase costs. Additional funding is also included under reauthorization; however, it is insufficient to cover all of the anticipated costs from these policy changes.</i> ✓ <i>Federal funding for CCDF is partially subject to annual sequestration reductions required under the Budget Control Act of 2011 (BCA, P.L. 112-25). The impact of future sequestration is unknown and has not been included in CCDF funding estimates.</i> 	
<p>SFY18 & SFY19 Budget Drivers</p>	<p>This request includes \$3,826,485 to replace one-time carry-forward funds appropriated in SFY17 that will not be available in SFY18 and SFY19.</p>	
<p>Legal Basis</p>	<p>Federal:</p> <ul style="list-style-type: none"> • Section 418 of Title IV-A of the Social Security Act, as amended • Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 • Child Care and Development Fund Block Grant Act of 2014 • Code of Federal Regulations 45, Parts 98 and 99 <p>State:</p> <ul style="list-style-type: none"> • Iowa Code, Chapters 237A and 256I 	