

# 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 program provides financial assistance for children under the age of 13 in:

- Families where parents are working at least 28 hours per week **or** are in school full time who have incomes 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
- Families receiving Family Investment Program benefits and are participating in PROMISE JOBS (PJ)

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

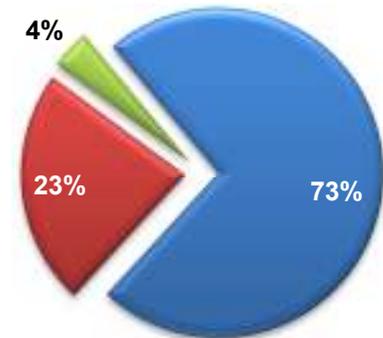
In SFY12, 44,777 children were served.

- A monthly average of 23,947 children received a child care service, a 3.6 percent increase over SFY11.
- The number of children served in CCA is projected to modestly increase in SFY13 through SFY15 while protective and PJ will remain flat or have marginal declines.

The average CCA child is of pre-school age, 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.

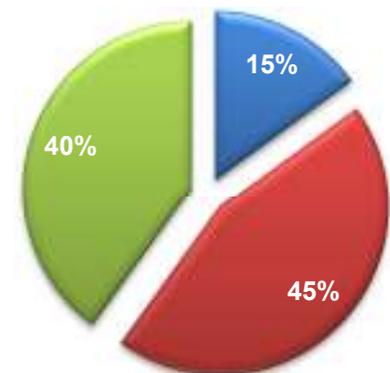
### Number of Children Served SFY12

■ CCA ■ PROMISE JOBS ■ Protective



### Ages of Children Served SFY12

■ Infant and Toddlers ■ Preschool Age ■ School Age



- ✓ *The 2012 Federal Poverty Level for a family of 3 is \$19,090: a family of three can earn up to \$27,684 annual gross wages and remain eligible for CCA.*
- ✓ *SFY12, 92.6 percent of families needing child care were employed, a 3 percent increase over SFY11.*

## Services

The child care assistance program allows parents to choose their child care provider. Providers include:

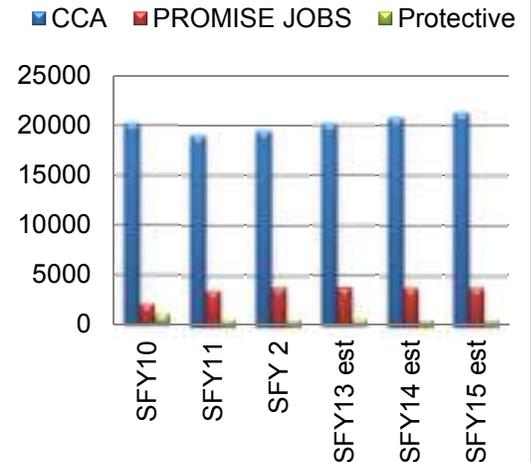
- 1,400 licensed child care centers.
- 4,400 registered child care development homes. In-home providers caring for six or more children at one time must register.
- 3,400 legally operating, non-registered providers who receive payment under the CCA program. Providers caring for five or fewer children at one time are not required to be regulated.

Activities other than child care assistance funded by this appropriation:

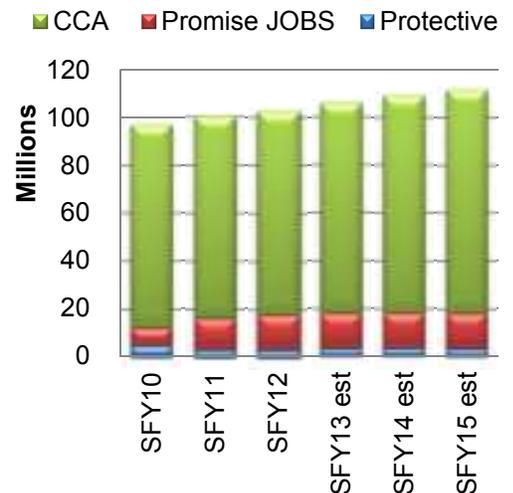
- The five Child Care Resource and Referral contracts and the 31 wraparound child care contracts. Both increase access to quality services/providers. Management and oversight of these contracts is performed by General Administration staff.
- The Quality Rating System (QRS) which identifies and promotes quality in child care services. The QRS is voluntary for providers. Management and oversight for this program is performed by General administration staff.
- Regulation activities which are carried out by Field Operations and General Administration staff.

In addition, Child Care Assistance and Protective Child Care eligibility and payment activities are performed by DHS Field Operations. PROMISE JOBS child care eligibility and payment activities are performed by Iowa Work Force Development staff.

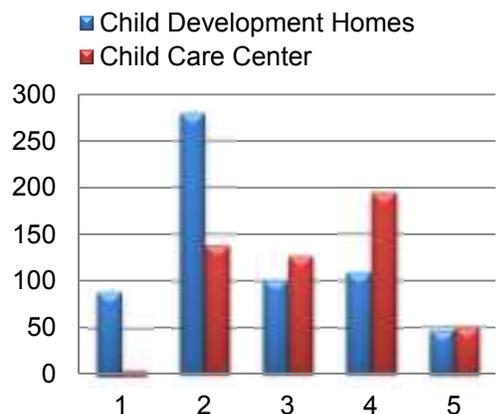
### Average Monthly Number of Children Served

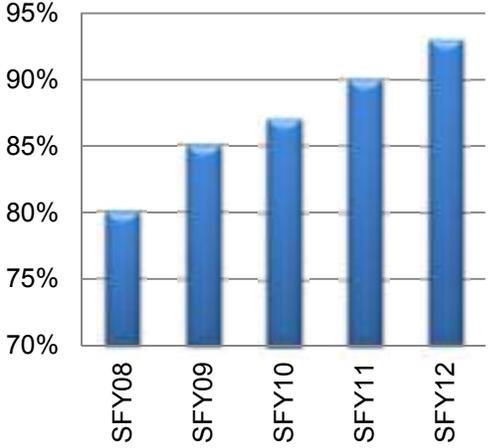


### Expenditures By Type



### QRS Level Achieved June 2012



	<ul style="list-style-type: none"> <li>✓ <i>More than 90 percent of child care bills are submitted electronically.</i></li> <li>✓ <i>100 percent of child care centers are visited annually.</i></li> </ul>													
<b>Goals &amp; Strategies</b>	<p>Goal: Improve lowans Employment and Economic Security</p> <p>Strategies:</p> <ul style="list-style-type: none"> <li>• Provide child care assistance to support working families.</li> <li>• Promote the use of quality child care services.</li> <li>• Ensure child care payments are made timely.</li> </ul>	<p>SFY12 Results</p> <ul style="list-style-type: none"> <li>• 92.6 percent of families paid under CCA received assistance due to employment.</li> <li>• 86 percent of children were cared for in regulated settings.</li> <li>• 88 percent of all CCA expenditures were made to regulated providers.</li> <li>• 99.5 percent of correctly submitted child care bills were paid within 10 days.</li> </ul> <p style="text-align: center;"><b>Percentage of CCA Families Employed</b></p>  <table border="1" data-bbox="1019 751 1507 1199"> <caption>Percentage of CCA Families Employed</caption> <thead> <tr> <th>SFY</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>SFY08</td> <td>80%</td> </tr> <tr> <td>SFY09</td> <td>85%</td> </tr> <tr> <td>SFY10</td> <td>87%</td> </tr> <tr> <td>SFY11</td> <td>90%</td> </tr> <tr> <td>SFY12</td> <td>93%</td> </tr> </tbody> </table>	SFY	Percentage	SFY08	80%	SFY09	85%	SFY10	87%	SFY11	90%	SFY12	93%
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<b>Cost of Services</b>	<p>The average annual child care assistance benefit per child in SFY12 was \$4,299.</p> <p>With the rate increase legislated for SFY13, the average annual child care assistance benefit per child in SFY13 is estimated at \$4,325.</p> <ul style="list-style-type: none"> <li>✓ <i>Current child care reimbursement rates are based on a 2004 Market Rate Study. The Child Care and Development Fund (CCDF) regulations require states to conduct a MRS every two years and to set their rates based on that information to assure access.</i></li> </ul>													

## Funding Sources

Child Care Assistance programs are funded by state general fund and federal funds, including the Child Care Development Fund (CCDF) and TANF (Temporary Assistance for Needy Families). Other funds are from the Child Care Facility Fund.

The total Child Care Assistance budget for SFY14 is \$129,031,092:

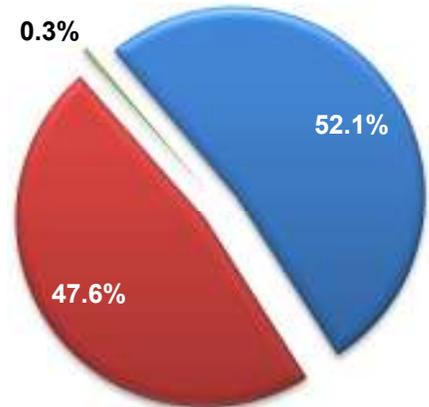
- \$67.2 million (52.1 percent) state general fund
- \$61.4 million (47.6 percent) federal
- \$435 thousand (0.3 percent) other

The total Child Care Assistance budget for SFY15 is \$131,326,422:

- \$70.9 million (54 percent) state general fund
- \$60.4 million (46 percent) federal
- \$51 thousand (0.04 percent) other

### SFY14 Funding

- State General Fund
- Federal Funds
- Other Funds



- ✓ *The CCDF is a capped federal block grant. Child care is not a federal entitlement and there is a specific amount of federal funds available to states. Iowa consistently receives all available CCDF.*
- ✓ *Up to 30 percent of TANF funds can be transferred to CCDF, however the percentage of TANF funds is decreasing due to other competing service needs.*
- ✓ *CCDF Reauthorization – pending in Congress. Final funding authorizations are unknown. New mandates within Reauthorization, funded or unfunded, are unknown.*

## SFY 2014 & 2015 Budget Drivers

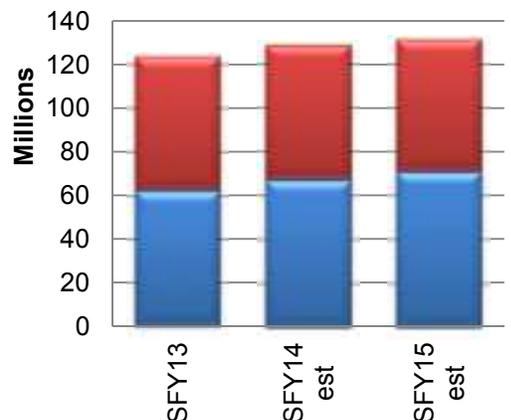
The SFY14 budget for Child Care Assistance reflects a \$4,930,759 (7.9 percent) general fund increase from SFY13. The FY 15 budget reflects a \$3,714,179 (5.5 percent) general fund increase over SFY14.

The key budget drivers of the SFY14 increase are:

- Modest caseload growth of 2.4 percent.
- Provider rate increase of 2 percent, effective January 1, 2013.
- Replacement of one-time funding to be used in SFY13 to address a shortfall.
- Enhanced service package for record checks.

### Total Budget Funding Mix

- Other Funding
- Federal Funding
- State General Fund



	<p>✓ <i>Federal funding for CCDF is partially subject to the automatic across-the-board reduction effective January 2013 required under the Budget Control Act of 2011 (BCA, P.L. 112-25). FFY 2013 funds are estimated to be reduced by \$411,000 if the across-the-board reduction takes place.</i></p>
<p><b>Legal Basis</b></p>	<p><b>Federal:</b></p> <ul style="list-style-type: none"> <li>• Section 418 of Title IV-A of the Social Security Act, as amended.</li> <li>• Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.</li> <li>• Child Care and Development Fund Block Grant Act of 199.</li> <li>• Code of Federal Regulations 45, Parts 98 and 99</li> </ul> <p><b>State:</b></p> <ul style="list-style-type: none"> <li>• Iowa Code, Chapters 237A and 256I</li> </ul>