

WORKFORCE AND CHILD CARE

Iowa Child Care Coalition | Policy Priorities 2023

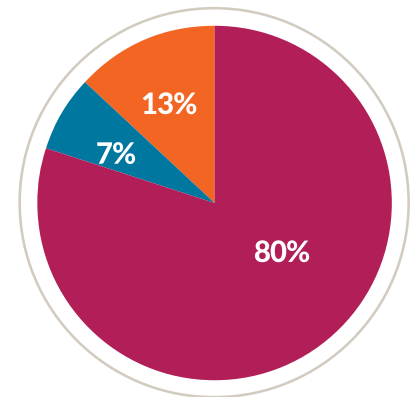


There is a childcare crisis happening in the US, and it's directly affecting employees across every sector. Now is the time for employers and government officials to step up and implement creative solutions to ensure the long-term sustainability of our workforce."

— MEGAN SCHULTE, VP OF HUMAN RESOURCES, FRONTIER CO-OP —

In 2022 with Federal COVID Relief dollars, Child Care Development Fund dollars, and state funds, the following was accomplished:

- Through a partnership with the Iowa Economic Development Authority, the Iowa Women's Foundation has created a full-time Employer Engagement Director position who will work with businesses, employers, advocates, and communities wanting to make an investment in child care for their employees.
- Child Care Business Incentive Grants were launched providing over \$25 million in grant funding, to businesses looking to expand child care to employees.
- Child Care Challenge Fund awarded \$36.6 million to create an estimated 6,000 child care slots in Iowa.
- The Investing in Iowa's Child Care program administered by Child Care Resource and Referral awarded over \$28 million in grants to increase the availability of child care throughout the state creating 4,853 slots.
- ECI and HHS are partnering to develop an online platform that will assist child care across the state with business requirements, specifically those that attribute to sustain a child care business: full enrollment, full fee collection and revenues covering per child costs (Iron Triangle). A child care management system is expected to launch in January of next year.
- \$7 million in new funding from Iowa HHS in 2021 resulted in an expansion of the Child Care WAGES[®] program statewide. Additionally, \$17 million was allocated to continue statewide availability of the Child Care WAGES[®] program as well as increase funding for the T.E.A.C.H. program until June 30, 2024.
- A new quality rating system for child care providers, Iowa Quality for Kids (IQ4K[®]), was rolled out with enhanced achievement bonuses.
- \$30 million will be allocated for a recruitment and retention bonus program for child care workers.
- Rural Child Care Market Grant program: \$100,000. BELIEF Project: \$111,000 using ESSA funds to blend early learning and child care.
- Best Places for Working Parents designation program was established, which includes paid health care, paid time off, paid parental leave, on-site child care, child care assistance, backup child care, flexible hours, remote work opportunities, and lactation benefits.



- Federal COVID Relief Dollars = \$492 million
- Child Care Development Fund = \$83 million
- State Annual Dollars = \$41 million

* For a complete detailed list of accomplishments, contact any of the coalition members listed on the back of this page.

We need to think bigger, bolder, long-term and beyond one-time Federal COVID relief dollars.

2023 LEGISLATIVE RECOMMENDATIONS

- 1 INVESTING IN THE CHILD CARE WORKFORCE - CHILD CARE PROVIDERS EARN AN AVERAGE OF \$10.76 PER HOUR IN IOWA, LEAVING US RANKED 45 IN THE NATION. THE THIRD-LOWEST PAID PROFESSION STATEWIDE AFTER LOCKER ROOM ATTENDANTS AND LIFEGUARDS.**
 - Identify a sustainable source of funding for Child Care WAGES[®] Iowa and T.E.A.C.H. Early Childhood[®] IOWA statewide beyond SFY24.
 - Implement tax cuts and credits to incentivize participation in the child care workforce.
- 2 SUPPORT FOR CHILD CARE BUSINESSES**
 - Increase child care assistance reimbursement rate to increase revenue for child care businesses.
 - Create a subcategory of commercial property used for child care centers to treat property tax the same as residentially classed property.
 - Identify a sustainable public-private funding source to help support the shared services business competencies programs long term.
- 3 QUALITY CHILD CARE FOR FAMILIES**
 - Increase income eligibility for Child Care Assistance to 185% incrementally at 5th percentile annually and 75th percentile of the market rate survey. Iowa's income limit is currently 145% of the Federal Poverty Level. In comparison, Iowa is ranked 46 of all states.
- 4 CHILD CARE SOLUTIONS FOR BUSINESSES**
 - Identify long-term funding to support additional Business Incentive matching grants. Previous grant program resulted in 36 applications. Additional communities were interested in applying but unable to meet the timeline.
 - Implement tax incentives and credits to incentivize businesses to increase investments in child care, resulting in an increase in quality child care across the state.

WHAT HAPPENS WHEN PARENTS LACK ACCESS TO AFFORDABLE, QUALITY CHILD CARE?

When residents cannot access quality, affordable child care close to where they live, they make decisions based on what is best for their family, including:

- 1** **Withdrawing from the workforce, worsening the labor shortage.**
- 2** **Reducing the available number of hours worked and productivity.**
- 3** **Moving to a community with better access to both child care and employment.**

WHAT HAPPENS WHEN BUSINESSES LACK ACCESS TO A RELIABLE WORKFORCE?

When businesses are affected by the availability of child care, they make financially based decisions to meet their needs, including:

- 1** **Reducing local investments and outsourcing work.**
- 2** **Closing locations within the community.**
- 3** **Relocating to another community where workforce needs are more readily available.**

THE THREE ELEMENTS OF SUCCESSFUL COMMUNITY CHILD CARE

ACCESSIBILITY: Child care slots are readily available to support ALL working parents and children in their own community.

AFFORDABILITY: A mix of sliding scales, public-private partnerships, and subsidies make child care affordable for ALL working parents.

QUALITY: Centers and registered child development homes participate in the state's quality rating system or another nationally accredited program.

2022 LEGISLATIVE ACTION

- House File 2198 established new minimum child-staff ratios of 1:7 for children age 2 and 1:10 for children age 3. Previously, those guidelines were 1:6 and 1:8, respectively. And allows child care center employees who are 16 to work without being under the direct supervision of an adult.
- House File 2127 incentivizes providers to accept more families that receive child care assistance by allowing parents to pay the difference between the child care assistance rates and the rates charged to private-pay families.
- House File 2252 Changes Iowa Code to allow the CCA program to serve a family with a permanently disabled parent so child care can be covered while the other parent in the household is working or attending education/training. These families were previously ineligible for CCA.

NEXT STEPS

The coalition members, along with our statewide partners, look forward to supporting these recommendations to create a more accessible, affordable, high quality child care system sustained by a professional, competitive, and compensated workforce.

