


# INTRODUCTIONS

- **Chair: Emily Schmitt**, Sukup Manufacturing
- **Additional members:**
  - **Jennifer Banta**, Iowa City Area Business Partnership
  - **Lisa Gates**, Friendship Village
  - **Miranda Niemi**, Quality Beginnings
  - **David Arens**, Wells Fargo
  - **Pastor Philip Herman**, Highland Park Community Development Association
  - **Mary Janssen**, Childcare Resource and Referral of Northeast Iowa
  - **Dawn Oliver Wiand**, Iowa Women's Foundation
  - **Dianna Williams**, Ann Wickman Childcare Center YMCA
  - **Erika Fuentes**, Crittenton Center
  - **Teree Caldwell-Johnson**, Oakridge Neighborhood
  - **Mayor Roy Buol**, Dubuque
  - **Mayor Steve Brimhall**, Mount Pleasant
  - **Josh Laraby**, Fairfield Economic Development Association
  - **Jenna Ramsey**, Stanton Community Development
  - **Amy Bice**, Child Development Home Provider, Cherokee
  - **Raven Walker**, Child Development Home Provider, Council Bluffs
  - **Tessa Dinsdale**, Lincoln Savings Bank
  - **Mayor Gene Newgaard**, Iowa Falls





**EXECUTIVE  
ORDER  
NUMBER 8**

- Overview
- Purpose and Duties
- Organization and Operation
  - Task Force Membership
  - Working Groups
  - Meetings
  - Service as Members
  - Staffing and Support
- Implementation and Interpretation
- *Although not in the EO, the Governor has established a timeframe of 100 days from announcement for the Task Force to present her with recommendations to address Iowa's child care crisis.*

# GOVERNOR'S CHILD CARE TASK FORCE

April 5, 2021



# THE IMPACT OF CHILD CARE ISSUES IN IOWA

Iowa loses **\$935** million annually as a result of child care breakdowns (combined lost tax revenue, absences, employee turnover).

**69%** of parents rely on family members for at least some child care.

**More than 1/2** of parents report missing work due to child care issues.

**52%** of parents who voluntarily left a job did so when their child(ren) was one year old or younger.

**23%** of enrolled parents postponed school or a training program due to child care issues.

# WORKING PARENTS LOSE FROM CHILD CARE SHORTAGE

BY THE NUMBERS

## YEARLY BURDEN

- **Iowa Working Parents with children under the age of 3 –**

**LOSE**, on average, **\$3,350**

*in annual earnings, reduced productivity, and job seeking capacity.*

- **Iowa Businesses –**

**LOSE**, on average, **\$1,150**

*per working parent each year in diminished revenue and additional recruitment costs.*

- **Iowa Taxpayers –**

**LOSE**, on average, **\$630**

*per working parent in annual lost income tax and sales tax.*

## LONG-TERM BURDEN

(FIRST 13 YEARS)

- **Iowa Working Parents –**

**LOSE**, on average, **\$8,940**

*in total earnings, reduced labor market participation, and decreased returns on work experience in the first 13 years of a child's life.*

- **Iowa Businesses –**

**LOSE**, on average, **\$1,490**

*per working parent in reduced revenue and in extra recruitment costs over the first 13 years of a child's life.*

- **Iowa Taxpayers –**

**LOSE**, on average, **\$2,270**

*per working parent in lower income tax and sales tax over the first 13 years of a child's life.*



## Iowa has the **3<sup>rd</sup> highest**

*percentage of parents with children under age 6 with both (or the only) parents in the workforce (75% vs. 66% nationally).*

## Iowa has lost **33%**

*of its available child care in the last five years.*

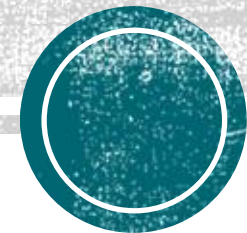
## Iowa has an estimated **shortfall**

*of around **350,000** child care slots for children under 12 requiring after-hours care.*

## **23%** of Iowans live in child care deserts –

*areas with an insufficient supply of licensed child care. This number is likely closer to **35%** in rural areas. Based upon analysis of Iowa Census data.*

**DEMAND  
VASTLY  
EXCEEDS  
SUPPLY**



# LICENSURE AND REGISTRATION

## IOWA HAS 3 TYPES OF CHILD CARE

- **Licensed Centers** – businesses that typically care for dozens of children. There are about **1,500** in Iowa.

*Centers are required to follow a long list of requirements and they receive at least one unannounced monitoring visit annually from DHS consultants.*

- **Child Development Homes** – any person providing child care in their home can apply to be registered. Those serving more than five (5) children are required to register. Over **2,500** people provide regulated child care in their homes.

*DHS compliance staff make at least one unannounced monitoring visit to all child development homes per year.*

- **Child Care Homes** – People who provide child care in their own homes and who care for five (5) or fewer children are not required to be registered but have the option to do so.
  - Those that accept child care assistance (CCA) have regulatory requirements and have annual visits. Those that do not accept CCA are not regulated by DHS.

- **For specific requirements:**

<https://ccmis.dhs.state.ia.us/providerportal/ChildCareRequirements.aspx>



# PROGRAMS AND SPACES

Listed with Iowa Child Care Resources & Referral (CCR&R)



**5,101** total programs

- **2,518** Registered Child Development Homes
- **675** Child Care Homes\*
- **398** Department of Education Operated Preschools
- **1,510** DHS Licensed Centers/Preschools



**173,253** total spaces

- **27,661** Registered Child Development Homes
- **3,375** Child Care Homes
- **13,729** Department of Education Operated Preschools
- **128,488** DHS Licensed Centers/Preschools

\*Note: These numbers include a combination of Child Care Homes that accept CCA and some who do not.

Source: Child Care Resource & Referral (CCR&R), State of Iowa Data Sheet, July 2020





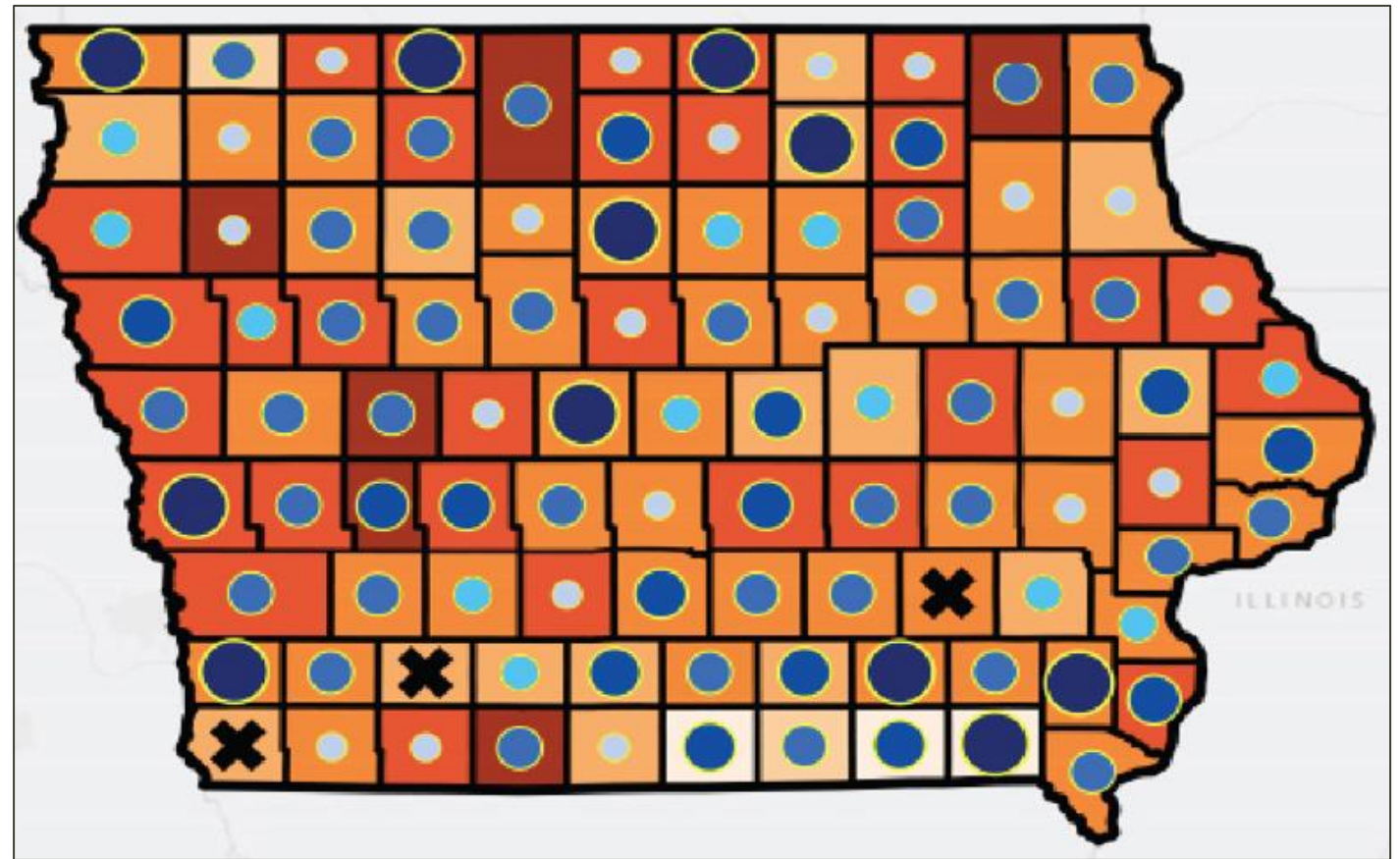


## CHILD CARE EXPENSES

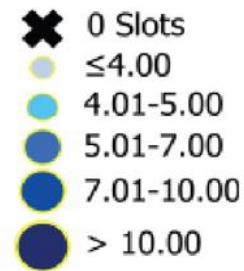
- **A Two Parent** household earning the median income with an infant in child care pays:
  - **7.8%** of their income, before taxes, if their child is in a **registered home**
  - **11.9%** of their income, before taxes, if their child is in a **licensed center**
- **A Single Parent** household earning the median income with an infant in child care pays:
  - **26.9%** of their income, before taxes, if their child is in a **registered home**
  - **41.0%** of their income, before taxes, if their child is in a **licensed center**
- **7%** of family income is the federal benchmark of affordability

*per the Administration for Children and Families, Office of Child Care*

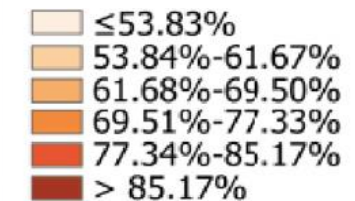
# INFANT & TODDLER SLOTS IN IOWA CHILD CARE CENTERS AND WORKING PARENTS BY COUNTY



Iowa Children Per Child Care Slot



Proportion of Iowa Households with all Parents in Labor Force



# Short-Term Impact of Pandemic



## NEGATIVE EFFECTS:

- **159,204** child care slots as of March 1, 2020
- **829** centers and **171** home reported temporary closure by April 21, 2020
  - *Most have now re-opened*
- **49,750** lost child care slots
- Loss of slots did not cause immediate strain as parents/guardians stayed home with children
- However, **loss of revenue** for providers negatively impacted their ability to come back online during or after the pandemic
- **Increased** staffing costs
- **Increased** cleaning costs
- **Reduced** availability of affordable child care



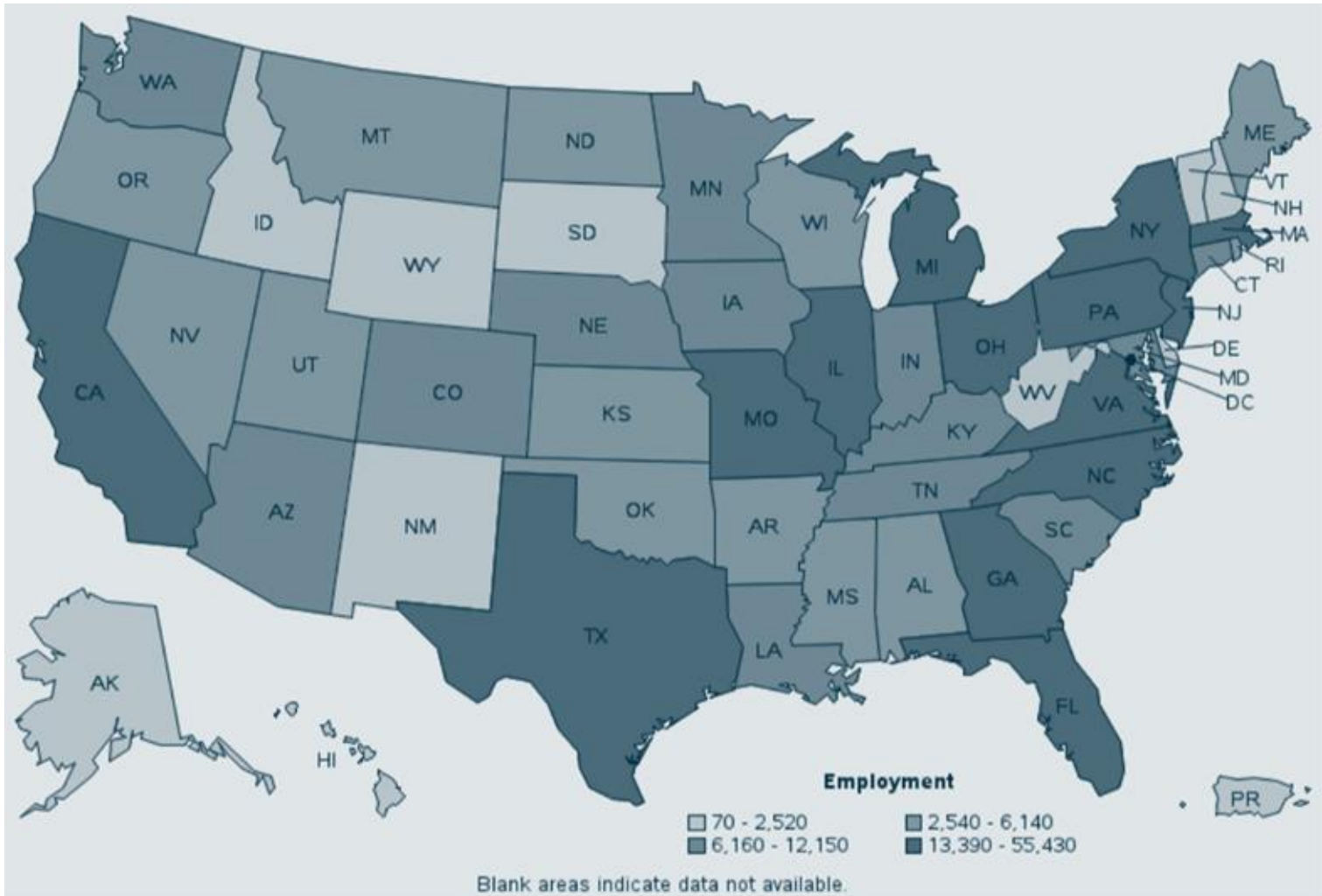
## RESPONSE:

**\$32 million** of COVID relief funding used by DHS to support providers and families, including:

- **Stipends** to licensed centers and registered homes
  - Both to address decreased revenue and to support essential employees with child care costs
- **Rejuvenation grants** to providers open as of 3/1/20 but now closed
- **Payments to providers** for unlimited absences and full-day day care for school-age children
- **Waive CCA family co-pays** and provide full tuition to providers serving CCA families
- **Waive temporary lapse policy** to cancel CCA if a family does not meet work requirements for more than 3 months
- **Provide cleaning supplies** including hand sanitizer directly to providers
- **Cover cost** of background checks for employees at temporary emergency sites



# EMPLOYMENT OF CHILD CARE WORKERS BY STATE (MAY 2019)



State	Total Jobs Impact
Illinois	105,060
Minnesota	44,308
Missouri	40,634
Wisconsin	37,071
<b>Iowa</b>	<b>27,634</b>
Nebraska	18,205
South Dakota	7,052

▪ Estimates include self-employed workers/sole proprietorships

# Child Care Worker Employment



Among surrounding mid-western states Iowa has the **third lowest** number of child care workers. Only Nebraska and South Dakota have fewer.



# MAJOR INDUSTRIES

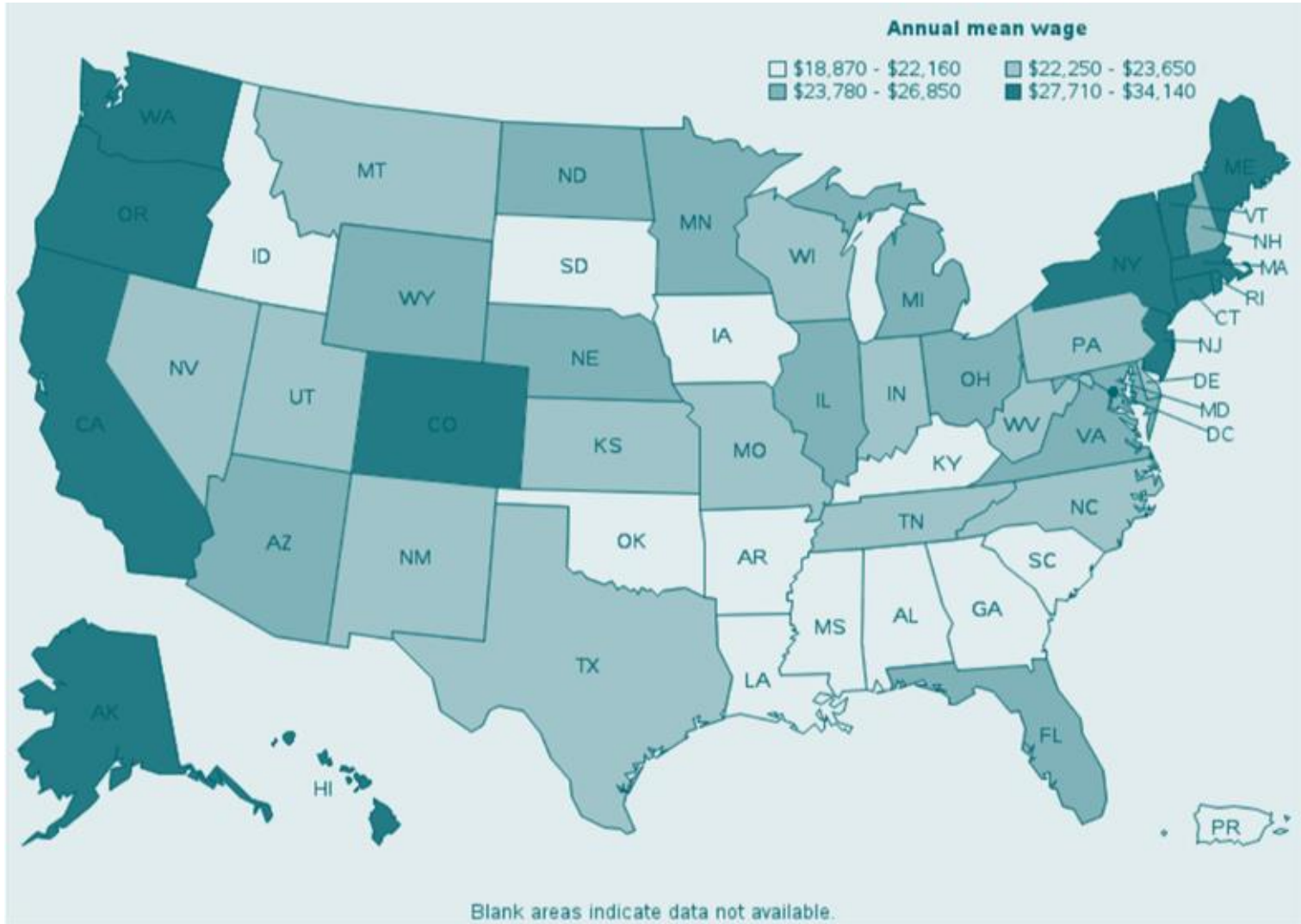
in Iowa for Child Care Workers

Industry	% of Child Care Employment
Social Assistance	44%
Self-employed	25%
Religious, Grantmaking, Civic, Professional Organizations	9%
Education Services	8%
Private Households	6%
Amusement, Gambling, and Recreation	6%

**69%** of child care employment in Iowa is within the social assistance industry and the self-employed



# ANNUAL MEAN WAGE OF CHILD CARE WORKERS BY STATE (MAY 2019)



# Child Care Worker Mean Wages



Among surrounding mid-western states Iowa has **the lowest** average wage for child care workers.



State	Hourly Mean Wage	Annual Mean Wage
Minnesota	\$12.88	\$26,780
Illinois	\$12.23	\$25,440
Nebraska	\$11.70	\$24,340
Wisconsin	\$11.37	\$23,650
Missouri	\$11.17	\$23,230
South Dakota	\$10.55	\$21,940
<b>Iowa</b>	<b>\$10.18</b>	<b>\$21,170</b>

▪ Annual wages have been calculated by multiplying the corresponding hourly wage by 2,080 hours





## CURRENT JOB POSTINGS: **670**

### Regional Breakdown of Postings:

- Des Moines/West Des Moines – **215**
- Cedar Rapids – **71**
- Iowa City – **61**
- Waterloo/Cedar Falls – **60**
- Davenport/Moline/Rock Island – **54**

# TRAINING REQUIREMENTS OF CHILD DEVELOPMENT HOMES (ALL CATEGORIES)

- **BEFORE** you submit application paperwork you must first complete the following:
  - Mandatory Child Abuse Reporter Training
  - Infant and Child CPR and First Aid
  - Essentials Child Care Preservice Series (or approved equivalent)
- **AFTER** you have been approved, you must complete the following:
  - **24 hours** of approved training every two years
  - Maintain **current certification** for the following:
    - Mandatory Child Abuse Reporter Training (expires every 3 years)
    - Infant and Child CPR and First Aid (verify expiration dates on card/certificate)



# TRAINING REQUIREMENTS OF CHILD CARE HOMES ACCEPTING CHILD CARE ASSISTANCE

- **BEFORE** you submit application paperwork you must first complete the following:
  - Mandatory Child Abuse Reporter Training
  - Infant and Child CPR and First Aid
  - Essentials Child Care Preservice Series (or approved equivalent)
- **AFTER** you have been approved, you must complete the following:
  - **6 hours** of approved training every two years
  - Maintain **current certification** for the following:
    - Mandatory Child Abuse Reporter Training (expires every 3 years)
    - Infant and Child CPR and First Aid (verify expiration dates on card/certificate)



# Training Providers/Programs



Training must be received from an approved training organization.

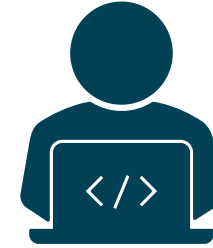
For a list of approved training classes and training organizations, visit:

<http://dhs.iowa.gov/licensure-and-registration/tools-trainings-and-resources>



## Child Care Resource & Referral Training Classes:

CCR&R offers several hundreds of hours of live training classes across the state each year. All classes sponsored by CCR&R are approved by DHS for training credit.



## Online Training:

Various online training opportunities are available, some of which can be completed on-demand.

The following organizations also offer online classes:

- Better Kid Care
- Care Courses
- Child Care Education Institute
- Child Care Lounge
- Eager-to-Learn
- Iowa State Extension & Outreach



## COMMUNITY FACILITIES DIRECT LOAN & GRANT PROGRAM (USDA)

*provides affordable funding to develop essential community facilities such as child care centers in rural areas*

- Eligibility limited to rural areas (including cities and towns) with less than 20,000 residents
- Eligible borrowers include public bodies, community-based non-profits, federally recognized tribes

## Business & Industrial Loan Program (USDA)

*offers loan guarantees to lenders for loans to rural businesses*

- Eligibility limited to rural areas not in a city or town with a population of more than 50,000, but borrower's headquarters may be within a larger city if the project is located within an eligible rural area.
- Eligible borrowers include for-profit or non-profit businesses, cooperatives, Federally recognized Tribes, public bodies, and individuals engaged in or proposing to engage in a business.

## SBA 7(a) Loan Program

*designed to help small businesses that are creditworthy but cannot qualify for a conventional loan*

- Borrowers may use SBA-backed 7(a) loan proceeds for almost any legal business purpose.
- To qualify, the business must operate for-profit, meet SBA's small business size standards, and demonstrate that it can repay the loan.

# Federal Lending Programs Funding Options for Child Care Center Projects



## **CHILD CARE CHALLENGE FUND (IWD)**

- Matching grant program to help with the construction, renovation and remodeling of child care facilities: [www.futurereadyiowa.gov/childcare-taskforce](http://www.futurereadyiowa.gov/childcare-taskforce)

## **EARLY CHILDHOOD IOWA LOCAL BOARDS**

- Complete a community needs assessment to determine strengths, needs, and gaps in service;
- Board receives funds annually designated to enhance the capacity and quality of child care services to help parents obtain or retain employment
- SFY21: \$28 million

## **INVESTING IN IOWA'S CHILD CARE FUNDING PROGRAM (DHS)**

- Start-Up Grants, Expansion Grants, and Urgent Regulatory Grants to support new and existing child care facilities

## **COMMUNITY DEVELOPMENT BLOCK GRANT COMMUNITY FACILITIES (IEDA)**

- Cities and counties may apply for funding for construction or renovation projects that serve the community, such as child care facilities. Projects must benefit families with low to moderate incomes



## FIND CHILD CARE

[www.dhs.iowa.gov/childcare/families](http://www.dhs.iowa.gov/childcare/families)

- Tools to find child care
- Review compliance evaluations of licensed child care centers and homes
- View complaint reports
- Learn about child care subsidies for families with low incomes

## CHILD CARE TAX CREDITS

[www.tax.iowa.gov/expanded-instructions/child-dependent-care-credit-early-childhood-development-credit-2020](http://www.tax.iowa.gov/expanded-instructions/child-dependent-care-credit-early-childhood-development-credit-2020)

- Families qualify for tax relief through the Early Childhood Development (ECD) and Child and Dependent Care (CDC) tax credits

## CHILD CARE RESOURCE AND REFERRAL

<http://iowaccrr.org/families/>

- For Parents – to help parents make informed choices about the care of their children

<http://iowaccrr.org/providers/>

- For Providers – services offer providers an entry point into the child care field and helps them grow and succeed. Information is available by type of care, including licensed child care centers and registered and nonregistered home providers

## CHILD CARE – FOR PROVIDERS

[www.dhs.gov/childcare/providers](http://www.dhs.gov/childcare/providers)

- Information on licensure and registration, the Quality Rating System, child care assistance, and guidance



# NEW PROJECTS AROUND THE STATE

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- Glidden child care expansion (Mary Janssen)
- Friendship Village (Lisa Gates)



# QUESTIONS & DISCUSSION

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# Task Force Working Groups

## REGULATORY BARRIERS AND FINANCING OPTIONS

Will address child care regulations that pose barriers to increased child care slots in Iowa and lack of available financing options for the creation and infrastructure of child care facilities.

## EXPANDING ELIGIBILITY FOR CHILDCARE ASSISTANCE (CCA)

Will understand the “child care cliff” effect.

## CHILD CARE WORKFORCE ISSUES

Will address child care workforce issues, including recruitment and retention, reimbursement rates, and health insurance.

## INCREASING EMPLOYER INVESTMENT AND ENGAGEMENT OPPORTUNITIES IN CHILD CARE

Will address how to develop employer investment and engagement opportunities internally and within Iowa communities.



# Task Force Working Groups

## Leadership

- David Arens, Leader of Regulatory Barriers & Financing Options Work Group
- Erika Fuentes, Leader of Expanding Eligibility for Child Care Assistance (CCA) Work Group
- Dianna Williams, Leader of Child Care Workforce Issues Work Group
- Lisa Gates, Leader of Increasing Employment Investment & Engagement Opportunities in Child Care Work Group

Membership – members and subject matter experts

Tasking – format for final recommendations



- Task Force
- Future meetings:
  - May 7, 1:00 pm-3:00 pm
  - June 2, 1:00 pm-3:00 pm
  - June 24, 12:00 pm-2:00 pm
  - July 14, 1:00 pm-2:00 pm
- Working groups:
  - Regulatory Barriers – April 7, 1:00 pm-2:00 pm
  - Expanding Eligibility – April 7, 2:00 pm-3:00 pm
  - Workforce Issues – April 8, 1:00 pm-2:00 pm
  - Employer Investment – April 8, 2:00 pm-3:00 pm
- Homework (due 1 week after first meeting)
  - “King or Queen for a Day” recommendations

**NEXT  
STEPS**

