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To the Senate Committee on Finance:

Thank you for allowing me the opportunity to provide testimony before the Senate Committee on Finance at the hearing titled, "Examining the State of Child Care: How Federal Policy Solutions Can Support Families, Close Existing Gaps, and Strengthen Economic Growth". My name is Ryan Page and I am the Child Care Director at the Iowa Department of Health and Human Services. I have been in the child care policy field since 2014 and have 17 years working for the State of Iowa.

At the core of our mission is Iowa's children and families. Iowa HHS provides high quality programs and services that protect and improve the health and resiliency of individuals, families, and communities. We are the Lead Agency overseeing the Child Care and Development Fund (CCDF) and we are responsible for all regulatory oversight under the Child Care and Development Block Grant. Last fiscal year, Iowa received approximately \$110,000,000 under the CCDF Appropriation. This funding helps to support access to child care for Iowa's eligible families.

Iowa is home to 3.2 million people with almost 200,000 children under the age of 10. Iowa often leads the nation with 75% of children under the age of 6 with all available parents in the workforce. Access to child care for working families and those seeking educational advancements is imperative to the continued economic success of our state. In 2021, Governor Reynolds initiated a Child Care Task Force to develop a comprehensive strategy to address the issues that contribute to the child care barrier to work in Iowa. Over the past 3 years, collaboration and innovation across state government has allowed HHS and other state agencies to implement almost all task force recommendations, such as those outlined below.

Under Governor Reynold's leadership, Iowa has engaged in public and private partnerships with businesses to support access to child care. Through grants and contracts, HHS and Iowa Workforce Development have supported cost sharing arrangements with businesses who partner with child care facilities for reduced cost child care for employees. We have also supported innovative local solutions, such as "child care solutions funds" that support wage enhancements for child care providers, driven by local business and private community investment.

Iowa recently started a pilot program to support school districts that partner with local child care centers to help more high school students earn a national child development credential and work in child care facilities.

In the 2023 legislative session, Iowa's legislature increased front door eligibility from 145% of the federal poverty level to 160%. Families making under \$41,316 for our typical family of 1 parent and 2 children, who have a need for service, are eligible. In State Fiscal Year 2024, Iowa on average, served over 16,000 families and 29,000 children every month under the child care assistance subsidy program. Iowa does not have a waitlist for subsidy families, ensuring equal access to child care for all families. Iowa also has a tiered eligibility structure so that families have continued eligibility up to 225% of the federal poverty level, which prevents working parents from immediately losing child care eligibility with modest wage gains. Co-pays are aligned with federal requirements to not exceed 7% of a family's total income. This past legislative session, provider reimbursement rates for those accepting subsidy were moved to the 2023 Market Rate Survey. Reimbursement rates are tiered based on a provider's participation in Iowa's Quality Rating System and reimbursement rates are between the 65th and 80th percentile of the current market rate survey.

Iowa utilizes CCDF funding not only for direct support to families but also to ensure the health and safety of children in our facilities. In response to Governor Reynold's Executive Order 10, which institutes a comprehensive review of all existing administrative rules, the agency engaged stakeholders and licensed child care centers to evaluate regulations. As we review regulatory standards in family child care homes, there will be a renewed focus on standards required for relative care providers to ensure that families have maximum flexibility to utilize child care providers of their choosing.

CCDF funds also support the quality initiatives in our state with new technology solutions. It is essential that we support the child care workforce with quality professional development opportunities as well as promotion of strong business practices. HHS has embarked on a Shared Services framework, supporting providers in achieving business sustainability through the Iron Triangle of full enrollment, full fee collection, and revenues that cover per-child cost. With supportive funding, HHS partnered to create the Child Care Collaborative of Iowa, supporting Iowa's child care providers with Financial Management Consultants and Child Care Management Systems to improve business practices to enhance sustainability of child care providers. The Child Care Management System supports electronic billing and fee collection, record keeping, time keeping, accounting, etc. Additionally, we have created a data-bridge between our CCA subsidy payment system and two child care management system softwares, allowing attendance data entered to come to the subsidy payment system seamlessly. This sustainability ensures continued access to child care for Iowa's families.

With approximately 3,500 licensed and registered child care providers, Iowa's have an robust child care system to choose from. Iowa's child care landscape that is supported with CCDF funds includes family child care homes that are registered and/or meeting minimum health, safety, and fire standards as well as licensed child care centers, including for-profit and non-profit centers, before and afterschool programming, and faith-based programs. Iowa also supports full day child care to at-risk, low income families through grants and contracts to provide child care that wraps around preschool programming such as Shared Visions, Head Start and Early Head Start, and Title 1 programs. In response to the 2024 CCDF Final Rule,

through data-driven decision making and additional grants and contracts, Iowa expects to continue our focus on improving child care accessibility for infants and toddlers, children with disabilities, and children in underserved geographic areas.

23% of Iowans are reported to live in a “child care desert”, primarily in our rural areas. A child care desert is any census tract with more than 50 children under age 5 that contains either no child care providers or so few options that there are more than 3 times as many children as licensed child care slots. However, this only tells a part of the story. Not all children in the census data requires regulated child care nor does it target to unique, individual needs of families. As such, Iowa recognized the need for an innovative approach and is actively working to gather near-real time data to understand not only our availability of child care slots but also to better understand our state’s child care operational capacity. Like many states, Iowa has not yet fully recovered from the reduction of people in the child care workforce during COVID-19. To increase operational capacity of our licensed child care facilities, Iowa implemented the CCA Pilot program in July 2023, providing child care subsidy to those working in child care in a direct service position, regardless of income. With positive qualitative and quantitative data, Iowa’s legislature approved an additional year for this pilot, extending through June 2025 to collect additional data on the success of this on the workforce. To date, we have approved over 1,200 people in the child care workforce for this pilot.

Iowa’s focus on consumer education and parent choice is paramount. Funds utilized for Child Care Resource and Referral contracts support Iowa’s families with Parent Referral Services to find child care. Iowans have access to information that helps them choose the type of child care that meets their family’s need, including minimum health and safety standards, information on how to find quality child care, and access to licensing status and annual inspection and complaint reports.

The CCDF program supports Iowa’s efforts to ensure access to child care for all Iowa families. Thank you for the opportunity to share the success of the CCDF program and showcase our efforts in supporting Iowans.

Sincerely,

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