



CHILD CARE & EARLY LEARNING

## STATE CHILD CARE ASSISTANCE POLICIES: **IOWA**

- **Income eligibility limit:** In 2016, a family of three in Iowa could qualify for child care assistance with an annual income up to \$29,136 (145 percent of poverty, 44 percent of state median income).<sup>1</sup>
- **Waiting list:** Iowa had no waiting list for child care assistance as of February 2016.
- **Parent copayments:** In 2016, a family of three with an income at 100 percent of poverty (\$20,160 a year) receiving child care assistance in Iowa paid \$9 per month, or 1 percent of its income, in copayments.<sup>2</sup>
- **Reimbursement rates:** In 2016, Iowa's reimbursement rates for child care providers serving families receiving child care assistance were below the federally recommended level—the 75th percentile of current market rates, which is the level designed to give families access to 75 percent of the providers in their community.<sup>3</sup>
  - Iowa's monthly reimbursement rate for center care for a four-year-old was \$595, which was \$175 (23 percent) below the 75th percentile of current market rates for this type of care.
  - Iowa's monthly reimbursement rate for center care for a one-year-old was \$738, which was \$164 (18 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered reimbursement rates:** In February 2016, Iowa did not pay higher reimbursement rates for higher-quality care.<sup>4</sup>
- **Eligibility for parents searching for a job:** In 2016, Iowa allowed parents to qualify for or continue receiving child care assistance for up to 30 days while searching for a job.<sup>5</sup>

Source: Karen Schulman and Helen Blank, Red Light Green Light: State Child Care Assistance Policies 2016 (Washington, DC: National Women's Law Center, 2016). These data reflect policies as of February 2016, unless otherwise indicated.



- 1 For special needs care, the income limit was \$40,188 in February 2016. As of July 2016, the income limit for standard care was increased to \$29,232 (145 percent of poverty), and the income limit for special needs care was increased to \$40,320 (200 percent of poverty), to adjust for the 2016 federal poverty level.
- 2 A family of three with an income at 150 percent of poverty (\$30,240 a year) would be eligible for assistance if the family were using special needs care. For this family, the copayment would have been \$163 per month in 2016. A family with an income at 100 percent of poverty that is using special needs care would have the same copayment as a family using standard care. The state calculates copayments based on units of care; a unit is a half day (up to 5 hours of service per 24-hour period), so these rates were calculated assuming the family used 44 units of care per month. Also note that families receiving Temporary Assistance for Needy Families (TANF) and families receiving protective services are exempt from copayments.
- 3 The state calculates reimbursements based on units of care; a unit is a half day (up to 5 hours of service per 24-hour period), so these rates were calculated assuming the family used 44 units of care per month.
- 4 The state began implementing higher rates for providers at level five of the state's quality rating and improvement system (which has five levels) as of July 2016; these rates are set at the 75th percentile of 2014 market rates.
- 5 In February 2016, parents could receive child care assistance while searching for a job for up to 30 consecutive days, once within a 12-month period. The state extended the amount of time parents receiving assistance can continue to receive it while searching for a job to 3 months as of July 2016.

