



CHILD CARE & EARLY LEARNING

STATE CHILD CARE ASSISTANCE POLICIES: IOWA

- **Income eligibility limit:** In 2018, a family of three in Iowa could qualify for child care assistance with an annual income up to \$29,616 (143 percent of poverty, 43 percent of state median income).¹
- **Waiting list:** Iowa had no waiting list for child care assistance as of February 2018.
- **Parent copayments:** In 2018, a family of three with an income at 100 percent of poverty (\$20,780 a year) receiving child care assistance in Iowa paid \$9 per month, or 1 percent of its income, in copayments. A family of three with an income at 150 percent of poverty (\$31,170 a year) receiving child care assistance paid \$185 per month, or 7 percent of its income, in copayments.²
- **Payment rates:** In 2018, Iowa's payment 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.³
 - Iowa's monthly payment rate for center care for a four-year-old was \$595,⁴ which was \$227 (28 percent) below the 75th percentile of current market rates for this type of care.
 - Iowa's monthly payment rate for center care for a one-year-old was \$738,⁵ which was \$225 (23 percent) below the 75th percentile of current market rates for this type of care.
- **Tiered payment rates:** In 2018, Iowa had higher payment rates for higher-quality care.⁶
 - The payment rate for center care for a four-year-old at the highest quality tier was 29 percent higher than the rate at the lowest quality tier
 - The payment rate for center care for a four-year-old at the highest quality tier was still below the 75th percentile of current market rates.
- **Eligibility for parents searching for a job:** In 2018, Iowa allowed parents to initially qualify for and begin receiving child care assistance while searching for a job, and allowed parents already receiving child care assistance to continue receiving it while searching for a job, for up to 3 months.⁷

Source: Karen Schulman, *Overdue for Investment: State Child Care Assistance Policies 2018* (Washington, DC: National Women's Law Center, 2018). These data reflect policies as of February 2018, unless otherwise indicated.



- 1 In February 2018, families already receiving assistance whose income exceeded the initial eligibility limit to qualify for assistance could continue receiving assistance, for up to an additional 12 months after their recertification, if their income did not exceed \$57,336. Also note that for special needs care, the income limit to qualify for assistance was \$40,840 in February 2018. As of July 2018, the income limit to qualify for assistance was increased to \$30,132 (145 percent of poverty) for standard care and \$41,560 (200 percent of poverty) for special needs care to adjust for the 2018 federal poverty level, and the exit eligibility limit for the graduated phase-out period was increased to \$58,020 (85 percent of state median income) to adjust for the updated state median income estimate.
- 2 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 copayments. In addition, families with incomes below 100 percent of the 2017 federal poverty level (\$20,420 a year for a family of three) were exempt from copayments in 2018.
- 3 The state calculates payments 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 this analysis is based on payment rates as of February 2018; the state increased its base payment rates as of January 2019.
- 4 The state has higher rates for higher-quality care; this is the base (lowest) rate, which is the most common rate level.
- 5 This is the base (lowest) rate, which is the most common rate level.
- 6 This analysis reflects tiered payment rates as of February 2018. The state increased payment rates for providers at quality level five of the state's quality rating and improvement system (which has five levels) to the 75th percentile of 2017 market rates, and introduced two new tiered rate levels for providers at quality levels one through four, as of January 2019.
- 7 Parents can continue receiving child care assistance while searching for a job for up to 3 months even if they reach the end of their eligibility period for child care assistance before the end of that 3-month period.

