



# Local Strategies to Build and Sustain the Child Care Supply

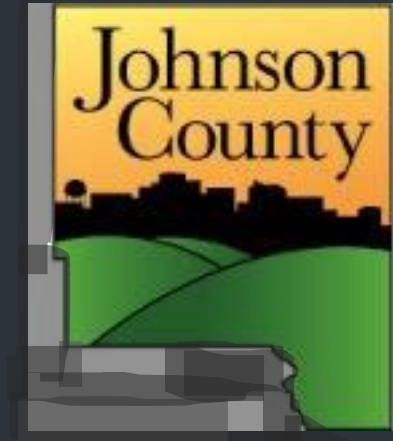
Prenatal-to-Three County Leaders Academy

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# Johnson County, Iowa

- Population approximately 160,000
- Iowa City largest municipality (75,000)
- Home to the University of Iowa
- Highest cost of living in the state
- Area Family Median Income - \$129,500



# Johnson County Child Care Data -2022

- ▶ 22,484 children ages 0 -12 in Johnson County
- ▶ 73% of families with children under the age of 6 have all parents working outside the home
- ▶ 9,311 child care spaces available, a loss of 411 spaces in 1 yr.
- ▶ 12% decrease in child care programs in the last 5 years
- ▶ \$11.16/hour average child care worker wage – the lowest for any tracked profession



# Johnson County Child Care Data -2022

- ▶ A family earning the area family median income pays approx.15% of their income on child care for an infant – 7% considered affordable
- ▶ Weekly cost for infant care in a center increased 11% in the last year and 19% over five years
- ▶ Infant care is 32% higher in Johnson County than the State average
- ▶ In 2022, the cost of infant care averaged \$282.78 per week, or \$14,705 per year





# THE COST OF CHILD CARE

- ▶ In Johnson County, a family with two children in child care pays an average of \$2,192 every month, adding up to \$26,303 every year.
- ▶ That's more than two and a half times the average price of tuition at University of Iowa.

# Child Care Solutions Coalition

## Goal of Johnson County Child Care Solutions Coalition:

- Increase access to affordable, high quality child care
- Strengthen business partnerships and investments
- Build a pipeline of child care workers & entrepreneurs
- Promote early education as a valued profession
- Increase wages and access to benefits



# American Rescue Plan Investment

PROJECT	FUNDING
<b>CHILD CARE INITIATIVES</b>	
Create a wage incentive program for child care providers in Johnson County (City of Iowa City also invested \$750,000)	<b>\$750,000</b>
Provide infant/toddler scholarships for families with children birth-3 years, below 200% FPL and ineligible for CCA. Child care necessary for participation in the work force.	<b>\$1,750,000</b>
Provide funding for infrastructure and capital needs for local nonprofit programs including, but not limited to, child care projects	<b>\$1,500,000</b>
Provide up to \$100 monthly incentive to child care providers for each Child Care Assistance slot filled by a child age birth-24 months.	<b>\$575,000</b>
Expansion of Starting Strong Program to rural Johnson County. Provide support and training for child development homes with the goal of improving quality and sustainability while expanding or maintaining child care slots	<b>\$75,000</b>
<b>CHILD CARE TOTAL</b>	<b>\$4,650,000</b>

# Survey of Child Care Centers

- Contacted all licensed centers – fall of 2022
- 42 of 52 (81%) participation rate
- 43 questions
- Interviews averaged of 30 minutes





# Survey Results

- ▶ Recruitment and retention of staff
  - ▶ Low wages
  - ▶ Lack of benefits
- ▶ Long waiting lists – especially for infant care
- ▶ Closed classrooms due to insufficient staff
- ▶ Very limited # (if any) child care assistance slots
  - ▶ Low Reimbursement rates
  - ▶ Administrative burdens



**Wage Enhancement Program provides a \$2/hour wage increase to eligible child care professionals.**



# Who Qualifies - Centers

- ▶ Licensed child care centers serving children birth – 5 years
- ▶ Participate in QRS or IQ4K Quality Rating Scale – or maintain NAEYC Accreditation
- ▶ Hourly minimum wage no less than Johnson County recommended minimum wage of \$11.56
- ▶ Maintain Child Care Assistance cap of no less than 20%
- ▶ Priority funding to centers not already subsidized
- ▶ The amount billed to CCA families will not exceed \$20/mo. for one child and \$40/mo. per family.
- ▶ The program pays payroll taxes for employers so that no additional costs are incurred by employers. (0.153 per \$2/hr)

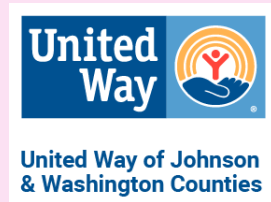


# Who Qualifies – Child Care Professionals

- ▶ Consistently work 32 hours/ week or more – full time.
- ▶ Year- round employee
- ▶ Teach children birth to age 5 (excludes Statewide Pre-school teachers)
- ▶ Earn less than \$25/hour
- ▶ Classroom teacher, assistant, floater, and center director with teaching responsibilities



# Wage Enhancement Community Collaboration



# How the Collaboration Works

City & County	The City of Iowa City and Johnson County each provide seed money investing \$250k per year to fund the operation of the Child Care Solutions program for three years (\$750,000 each).
Business Community	The business community invest \$150 per year/per employee to sponsor Child Care Solutions in their community. Better Together 2030 serves as liaison to business community
Community Foundation	Community Foundation accepts business contributions and holds money until they are distributed to Johnson County. Fund is held by Better Together 2030 as "fundholder" at CFJC.
Johnson County Social Services	Social Services will work with providers to pay the supplement the wages of employees working within an approved child care center.
4Cs of Johnson County	4Cs will work with child care centers, and in-home providers to educate them about the program and get them onboarded.

# Financial Stability and Future Planning

2023	Program Launches – Initial Investment from City of Iowa City, County, and private businesses. ECI funds are expended first. Depending on ARPA procedures per municipality, funding is expended as directed. County funds are held by County. All other funds are in BT2030 fund at CFJC to begin growth and investment.
2024	Program pilot sees initial success and data reporting. Fundraising continues with private businesses into fund, growing in investment and returns. Program evaluation checkpoint with City and County. Second year pilot and data collection continues.
2025	Program data collection continues. Fundraising continues. Program evaluation checkpoint with City and County and funders.
2026	Funds are expended from ARPA. Private funds are a primary source of funding. Program evaluation and adjustment continue.
Ongoing	Johnson County leads the country in childcare solutions and investment.

# Sustainability Plan

- ▶ Employers are asked to contribute to the program based on # of employees
- ▶ Charitable contributions
- ▶ Outreach through Workforce initiatives will continue







## IMPACT OF INVESTMENT INTO CHILD CARE SOLUTIONS FUND

- ▶ Attract and retain child care workers, increasing quality of life and income.
- ▶ \$2/hr translates to \$4160 annually for a staff member working 40 hours per week, or at least a 17% increase.
- ▶ Consistency of care increases and enhance overall childcare quality.
- ▶ Increase number of slots available without raising the cost for families.
- ▶ Increase the number of Child Care Assistance spots.
- ▶ Promote the profession of Early Childhood Educator as a valued industry in our community.
- ▶ Allow for parents to choose the best child care fit for them.



Thank you