



Child Care Wage Enhancement Program

City of Iowa City

Work Session – March 7, 2023

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



What the Data Shows

Johnson County Child Care Data -2022

- ▶ 73% of families with children under the age of 6 have all parents working outside the home
- ▶ 22,484 children ages 0 -12 in Johnson County
- ▶ 9,311 child care spaces available, a loss of 411 spaces since 2021 data(9,722 spaces).
- ▶ 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
- ▶ A family earning the area family median income (\$97,891) pays 15% of their income on child care for an infant – 7% considered affordable.
- ▶ Weekly cost for infant care in a center in Johnson County increased 11% in the last year and 19% over five years-
- ▶ Infant care is 32% higher in this County than the State average
- ▶ In 2022, the cost of infant care was \$282.78 per week, or \$14,705 per year in Johnson County



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.



Surveying Centers

Survey of Child Care Centers

- ▶ Contacted all licensed centers - September 21, - October 12, 2022
- ▶ 42 of 52 (81%) participation rate
- ▶ 43 questions
- ▶ Interviews averaged of 30 minutes



Licensed Center Capacity

All

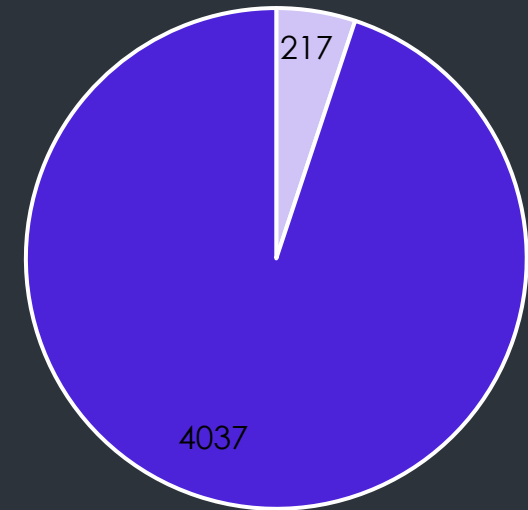
4,254 licensed capacity
range 20-297

Full-time

4,037 licensed capacity
range 28-297

■ Part-time only
■ Full time

Slots



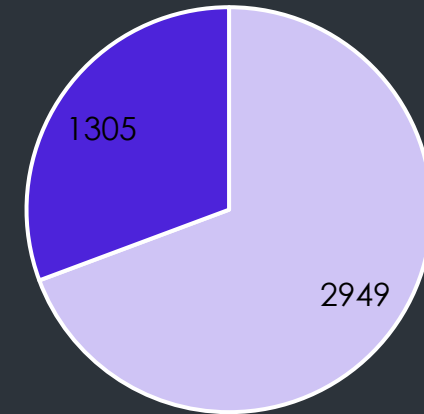
Filled Slots

All
2,949 currently filled slots
range 11-297

Full-time
2,797 currently filled slots
range 16-265

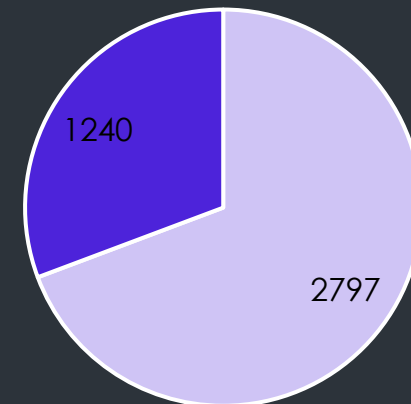
■ Filled
■ Open

All Slots



Full-time Slots

■ Filled
■ Open





Wait lists

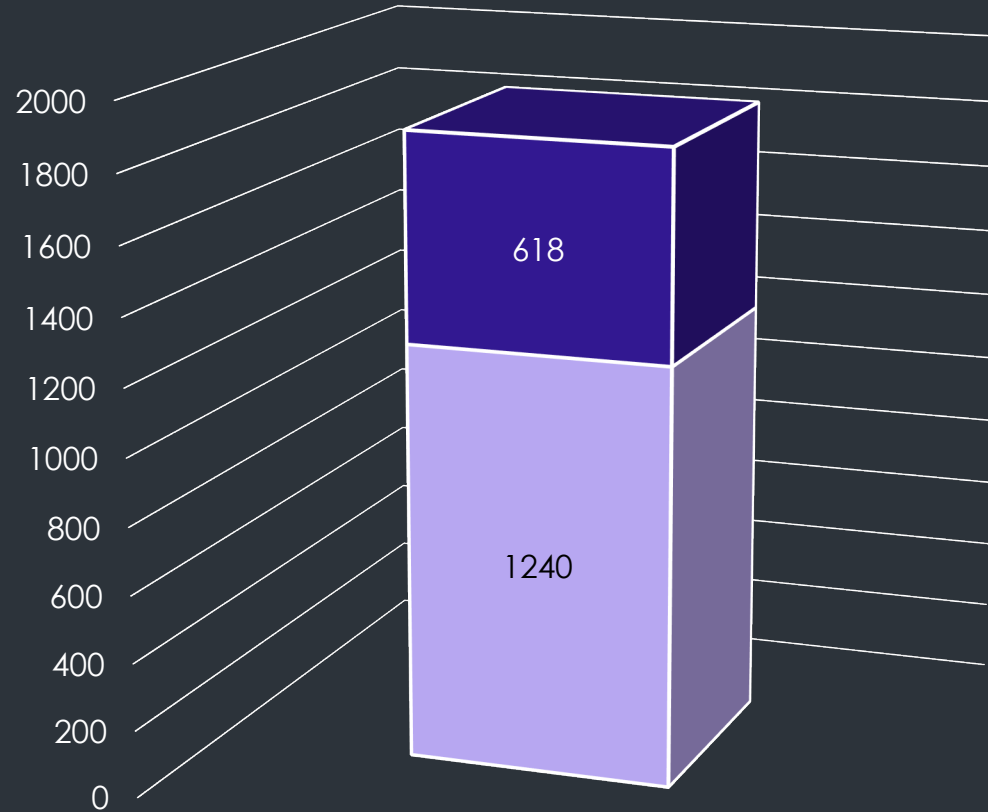
1,874 total wait list for 42 programs
of those, 5 programs have wait lists of 100 or
more

5 programs that have wait list of 100 or more,
total 1,175 children

30 programs have wait lists of less than 100,
totaling 699 children

Shortage

- Remaining Wait List Shortage
- Empty Slots



Bottom is the number of kids on waiting list for whom there may be available slots.

Top is remaining wait list if all empty slots are filled.



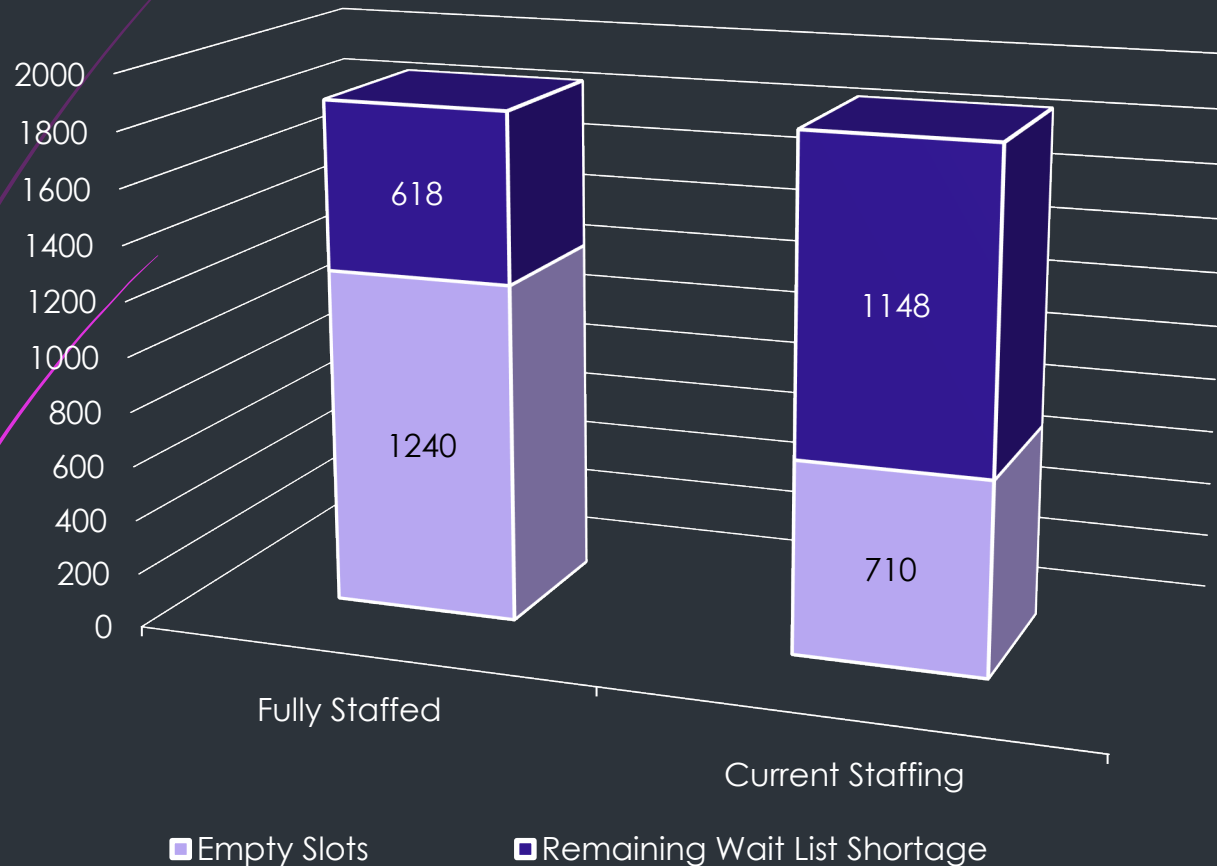
Capacity – Staff impact

102 full-time staff openings

66 part-time staff openings

5 other staff openings (sub, summer, etc)

Shortage – Staff Impact



If all current empty slots are filled, it leaves a wait list of 618.

However, some of the empty slots can't be filled due to staff shortage. Given current staffing situation, if all available slots are filled, it leaves a wait list of 1,148.

Wages

Average Wages	Classroom Assistant/Associate	Lead Classroom Teacher
Starting	12.22	14.90
Average	13.15	16.21
Maximum	14.82	18.50
Wage Ranges	Classroom Assistant/Associate	Lead Classroom Teacher
Starting	10.00 - 15.75	10.50 – 23.25
Average	10.75 - 17.00	11.00 – 23.25
Maximum	11.00 - 18.00	11.00 – 35.00

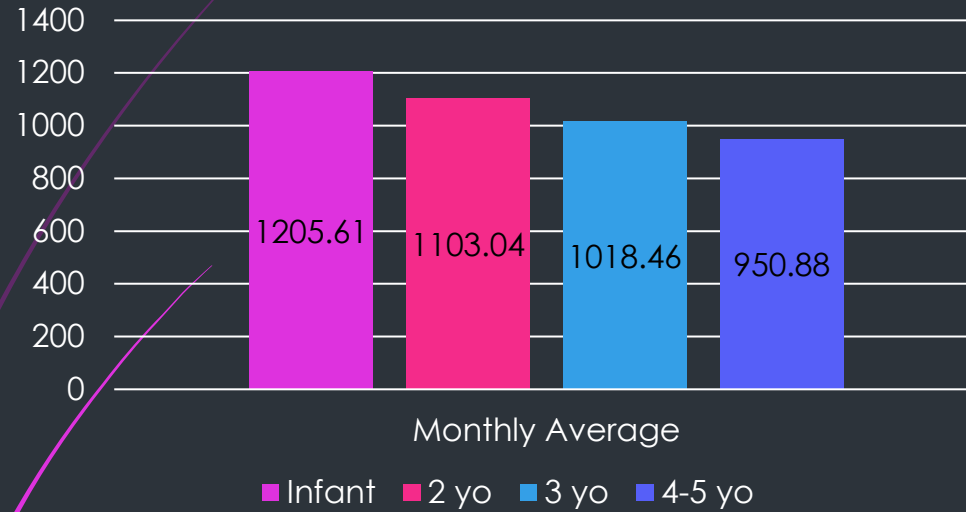
Wages

- 35 centers raised starting wages in past year at an average of \$1.48/hr.
- Increases ranged from \$0.50/hr. to \$4.00/hr.
- Other increases were 8% - 12%

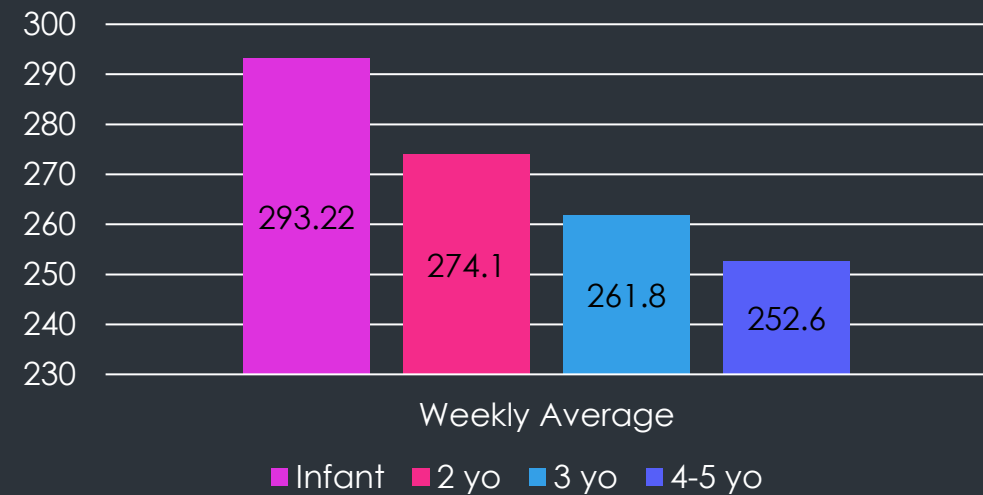


Tuition

Average Tuition Billed Monthly



Average Tuition Billed Weekly



Iowa State Child Care Assistance Reimbursement Rates

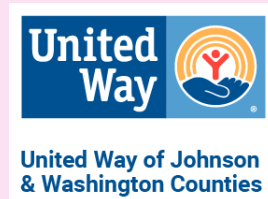
Child Care Rates – Licensed Center Ave./wk.	Infant/Toddler	Preschool	School Age
No Quality Rating	\$232.10	\$189.80	\$150.00
Quality Rating 1 or 2	\$232.10	\$195.00	\$155.00
Quality Rating 3 or 4	\$232.10	\$200.00	\$160.00
Quality Rating 5	\$240.50	\$210.00	\$170.00

State Child Care Assistance

- ▶ 32 centers accept CCA
- ▶ 16 cap amount of CCA slots



Solution? Johnson County Childcare Wage Enhancement Program



Wage Enhancement Program will provide 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 \$23/hour
- ▶ Classroom teacher, assistant, floater, and center director with teaching responsibilities



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.



Childcare Coalition Charitable Giving Fund – Better Together 2030

- ▶ Fund held at the Community Foundation of Johnson County
- ▶ Public and private dollars may be held
- ▶ Agreement signed and holds funds for the agreed upon purpose:
 - ▶ “Consistent with the charitable purposes of the Foundation, distributions from this Fund will be used to serve the community by enhancing the quality of life for Johnson County residents through the support of childcare efforts and projects designed to enhance the quality of childcare for residents and support those efforts of the Childcare Coalition and promotion of affordable and accessible childcare for all and in support of the Better Together 2030 All In Vision.”



Private Fundraising - Employers

- Employers are asked to contribute to the program at a rate of \$150/employee annually to the fund.
- Seven employers have committed to participation thus far including one large employer
- Tax deductible contribution opportunities
- Outreach through Workforce initiatives will continue
- Interest is building!

Cost of Program - Estimated

Annual Cost Estimate for Childcare Wage Initiative			
1) Cost of wage supplement:			
A) Total number of employees from qualifying centers:		135	
B) Calculate total hours:			
Average number of hours:		1,820	(assuming 35 hrs per week)
		245,700	
C) Calculate total supplement:		\$ 2.00	per hour, plus FICA taxes
			\$ 510,196
2) Community Foundation fee (1.25%):			
Annual funding:		\$ 265,000	
			\$ 3,313
3) Administration fees (County):			
			\$ -
			\$ 513,509

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.



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