

MINUTES
HOUSE HEALTH & WELFARE COMMITTEE

DATE: Wednesday, April 07, 2021
TIME: 8:00 A.M.
PLACE: Room EW20
MEMBERS: Chairman Wood, Vice Chairman Vander Woude, Representatives Gibbs, Blanksma, Kingsley, Christensen, Lickley, Erickson, Ferch, Mitchell, Chew, Rubel, Davis
**ABSENT/
EXCUSED:** Representative(s) Blanksma, Christensen
GUESTS: None

Chairman Wood called the meeting to order at 8:00 a.m.

MOTION: **Rep. Davis** made a motion to approve the minutes of the March 17, 2021, meeting.
Motion carried by voice vote.

Lori Wolff, Deputy Director, Department of Health and Welfare (DHW) reported to the committee regarding federal funding for Idaho's child care and utility assistance programs.

Implemented in 1997, the Idaho Child Care Program (ICCP) provides child care subsidies to low income families. Currently 8,500 children are enrolled in the service. Parents are required to pay a co-pay to their ICCP certified child care provider (CCP). At the start of the pandemic facilities encountered lower enrollment when public schools and universities closed and parents began working or staying at home. The facilities also lost or were unable to hire staff because unemployment subsidies provided a higher income.

In response to economic needs, three federal funding packages have been issued. The Coronavirus Aid, Relief, and Economic Security (CARES) Act of March 2020 provided a \$20.6M award to Idaho to help support immediate child care problems. It included a spending deadline of federal fiscal year (FFY) 2023. The Coronavirus Response and Relief Supplemental Act (CRRSA) awarded \$57.7M for child care, with a spending deadline of FFY 2023.

The American Rescue Plan Act (ARPA) of March 2021 includes a child care award of approximately \$228.8M to be used for child care development block grants (FFY 2024 deadline), industry stabilization (FFY 2023 deadline), and increasing the current ICCP allocation (FFY 2024 deadline).

The funding guidelines stipulate use to increase subsidies, increase the federal poverty level (FPL) to include higher income brackets, cover co-pays, deliver CCP technical assistance and training, provide CCP operational and staff support incentives, and provide a broader sustainable program infrastructure for the child care industry. The funds cannot be used to establish public or private schools, including preschools, provide grants to non-licensed or non-certified child care programs, cover student tuition, finance building improvements, lease or purchase a vehicle, defray personal debt, pay licensing fees or permits, or purchase subscriptions.

Priorities include supporting CCPs, preserving child care capacity, work force retention, supporting families through child care availability and affordability, assisting children unable to participate in school, encouraging after school support programs, and system improvements to support CCPs and families.

Monthly CCP grants started in May 2020 to assist with staffing and general operating costs. Of the 836 CCPs, 144 are family day cares, 205 are group homes, and 487 are care centers.

Staff wage enhancements, which began this month, provide recruiting and retention funds. Sustainable staffing plans will be developed to replace federal funding.

The funds for program administration, oversight, and system enhancements will address the modernization of the program used by the CCP's.

Family support co-pay reductions, which began in November, 2020, decrease the out-of-pocket cost of child care. The FPL will be increased for two years, beginning March 2021, to allow more families subsidy access.

The estimated \$69M for community partners has helped children, from zero to thirteen years of age, maintain their grade level and participate in after school and summer support programs. Health care industry employer-based child care and school day clinics have also helped during the pandemic by keeping the children from being home alone.

ARPA funding includes the Low Income Home Energy Assistance Program (LIHEAP) for utility costs and the Low Income Home Water Assistance Program (LIHWAP) for drinking and waste water costs. LIHWAP was not included in the CARES and CRRSA funding.

LIHEAP, which is 100% federally funded, pays a portion of energy costs for qualifying households. Community action agencies throughout Idaho make payments directly to suppliers on behalf of eligible beneficiaries. Approximately 31,000 households were served during state fiscal year (SFY) 2020.

LIHWAP provides assistance for drinking and waste water bills for qualifying households. Although guidelines have yet to be provided, community action agencies will receive and administer the funds.

Responding to committee questions, **Ms. Wolff** said a strong child care industry is critical to returning Idahoans to work or school. She explained the SFY begins July 1st and the FFY begins October 1st. Funds not spent by an FFY deadline revert back to the federal government.

Lisa Hettinger, Deputy Director, DHW, was invited to answer a question. She stated the DHW requests a federal draw for funds based on anticipated quarterly spending.

Answering further questions, **Ms. Wolff** said the CCPs can obtain Paycheck Protection Program (PPP) loans along with grant funds. The supplemental grant funds' specified use is not the same as the PPP funds. The counties can invest additional funds to help assistance programs. She agreed to send the committee a list of the twelve qualifying items defining quality child care. Any quality initiatives or activities must align with the twelve items and be approved.

Although Idaho has some phenomenal high quality CCPs, affordability and accessibility for all families continues to be a challenge. With the population influx, more CCP specific enrollment slots are needed. Industry investment is necessary to help new CCP businesses, including after school programs and infant care.

The continuation of funding into 2023 assures Idaho's child care is strengthened and stabilized. Some CCPs are already returning to full capacity and have indicated they no longer need grant funds. The monthly grant payment helps cover rent increases, cleaning costs, and transportation costs due to school closures.

Responding to questions regarding staff wage enhancement, **Ms. Wolff** said the inability to hire and retain staff is of immediate concern. Some CCPs are using the enhancement funds as an incentive bonus and others are using it to increase wages.

The DHW continues to explore ways to expand the ICCP presence. Certification involves meeting quality initiatives, a provider agreement, and licensing. **Ms. Wolff** will forward the actual requirement list to the committee.

Dave Jeppesen, Director, DHW, was invited to answer committee questions. He said ARPA provides a potential Federal Medical Assistance Percentage (FMAP) increase opportunity for home and community-based services. Although not yet defined, there is indication it would be a one-year FMAP increase.

A committee member suggested business partnerships with incentives would be a helpful avenue to pursue for child care.

Ms. Wolff stated child care and after school programs which identify trauma or mental health challenges are a critical component to prevent negative consequences and provide a safe place for children. This is part of building a strong industry, especially during the summer when the children are out of school.

Director Jeppesen, answering a question, said the Division of Behavioral Health has used the CARES and CRRSA funds for hotlines, medical services, and telehealth services for individuals and families dealing with suicide or substance abuse. These have been highly effective with better success rates.

The Institution of Mental Disease (IMD) waiver, which went into effect in 2020, allows Medicaid eligible individuals to receive inpatient services for substance and mental health issues. The individual's application is a simple process. All facilities are now approved as Medicaid IMD providers.

Responding to more questions, **Ms. Wolff** explained the ICCP's focus is to assure healthy and safe places for children through CCPs. The subsidies are specific to the needs of low income families. The Successful Starts Program grants work within communities to license providers. She will provide additional information to the committee regarding this program.

ADJOURN: There being no further business to come before the committee, the meeting adjourned at 10:03 a.m.

Representative Wood
Chair

Irene Moore
Secretary