

# Child Care

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## Mission

To improve developmental outcomes for all children and to help families reach and maintain economic independence by encouraging accessibility to quality child care.

## Summary of Activities

To further this mission, the **Family and Social Services Administration** (FSSA) Division of Family and Children (DFC) focuses on four main areas: child care subsidies, child care quality improvement initiatives, licensing of child care providers, and registration of child care ministries.



Low-income families receive child care subsidies through a statewide child care voucher system. DFC contracts with a community agency in each county to administer the program. Parents can choose from any available licensed or legally license-exempt child care provider, including centers, homes, ministries, school-age care sites, in-home or relative care. The provider selected by the parent is reimbursed directly by the local agency. In 1999, almost 85,000 children were served through this program. Eligible families with an annual income greater than the federally established poverty level are required to pay a portion of child care costs, based on a sliding fee schedule.

The DFC administers the Child Care Development Fund, which assists counties in improving the quality and accessibility and increasing the capacity of early childhood programs. Each county annually submits a quality plan based on local needs that supports the following goals: increase public/private/business/parent awareness of community child care needs, expand and maintain licensed, accredited child care capacity, increase the competency of child care professionals through education, training and credentialing, decrease high turnover rates among child care providers, and support the implementation of minimum quality standards for child care providers who accept vouchers. In addition, there are a number of statewide quality initiatives such as the Business Partnership Specialist project to build successful partnerships with the private sector, TEACH (Teacher Education and Compensation Helps) Early Childhood INDIANA scholarships to increase the early childhood development knowledge and skills of child care providers, and Child Care Resource and Referral Services to connect families with child care in their community.

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“It simply makes sense to prepare child care teachers with the knowledge and skills to give Hoosier children what they need.”

- Governor Frank O’Bannon

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The DFC licenses child care homes and centers and is responsible for complaint investigation of child care providers. The child care licensing process provides assurance to working parents that their children are in a safe, healthy, and appropriate environment when in out-of-home care. In addition to licensing child care homes and centers, DFC also registers child care ministries. Inspections are conducted at all centers, ministries, and residential facilities to ensure compliance with health and sanitation standards. DFC also works in partnership with the **Indiana Development Finance Authority** to assist child care providers in accessing loans to construct, expand, and improve their facilities.

## External Factors

Three major trends have had a significant impact on the need for care and early education services among families. The first trend has been the long-term increase of women entering the workforce. The second trend has been Indiana’s low unemployment rate (2.4% for November 2000). This trend has signified a strong job market and equally strong demand for more parents to join the workforce. The third major trend has been recent welfare-to-work reforms that limit assistance and encourage economic self-sufficiency. Together, these societal trends indicate that the need for child care is likely to increase over time. U.S. Census figures for Indiana estimate there are 340,868 children under the age of five and 337,067 school-age children who currently need child care.

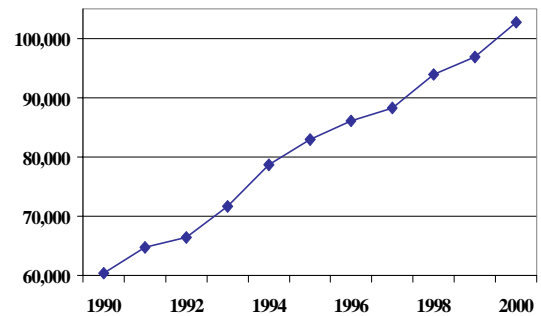
## Evaluation and Accomplishments

Savings generated by welfare reform have been invested in increasing funding to provide subsidized child care for low-income families by \$248 million since 1997. Since 1995, the number of licensed child care centers has increased by 9%. Registered ministries have increased by 35%. Licensed homes have also seen a rapid growth of 68% since 1995. The TEACH Early Childhood program has awarded over 500 scholarships in over 70 counties to child care workers working toward credentials and degrees in early childhood development. These scholarships provide child care workers with early childhood development knowledge and skills, resulting in higher quality child care.

Indiana's public-private partnership initiatives have seen an

increase in corporate awareness and support for employee child care needs, from five corporations investing in such partnerships in 1995 to 24 in 2000. The Indiana Business Partnership Specialist initiative supports local community efforts to build successful partnerships with the private sector to enhance the quality and increase availability and accessibility of high-quality care for working families.

**Licensed Child Care Capacity in Indiana**



## Plans for the Biennium

Over the next biennium, the child care and development system will:

- 1) Increase licensed capacity by 15% each year; implement financial incentives for licensed providers to seek accreditation; and initiate financial incentives and technical assistance to encourage voluntary certification within the child care ministry community.
- 2) Develop a Child Care Interactive Information web site to offer parents access and the opportunity to select the highest quality of care for their children.
- 3) Develop a web-based learning environment for child care providers statewide, encouraging providers in rural areas to access quality early childhood training.
- 4) Create a "one-stop shopping" approach for all child care licensing services in order to streamline the licensing process for child care centers and improve customer service.

<u>Program: 0320</u>	FY 1999	FY 2000	FY 2001	FY 2002	FY 2003
<b>Appropriation (All Funds)</b>	\$227,614,759	\$168,099,033	\$174,892,889	\$173,390,958	\$173,446,620
<b>Expenditures</b>	\$184,099,354	\$194,760,774	\$166,921,195		

<p><b>Sources of Funds</b> FY 2001 (Approp)</p> <p>■ General ■ Dedicated ■ Federal ■ Other</p>	<p><b>Uses of Funds</b> FY 2001 (Approp)</p> <p>■ Personal Services ■ Distributions ■ Capital ■ Other</p>
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