



Eric Holcomb, Governor
State of Indiana

Office of Early Childhood and Out-of-School Learning
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The Office of Early Childhood and Out-of-School Learning is grateful to everyone who attended the two public hearings as well as those who submitted comments and questions. We sincerely appreciate the time spent and thoughtfulness of what was received. Below is our response to the questions and comments presented. We have separated questions into those that were specific to the plan and other general questions related to CCDF or other programs in Indiana. Similar comments and questions were grouped if answers were similar.

State Plan Specific Questions

Comment: If the narrow cost waiver is approved and the survey is deemed as an acceptable alternative, will the data/information gathered in the bi weekly survey be made available?

State Response: The waiver being requested is regarding the requirement to complete a market rate survey and narrow cost analysis. Due to the market rates and sampling from the narrow cost study being collected prior to COVID-19 OECOSL does not feel that the data captured is adequate to establish rates. Indiana is not seeking permission from the Office of Child Care for an alternative methodology to rate setting but is asking for additional time to capture rates and costs that are more reflective of the current market. If the waiver is granted OECOSL is required to post the market rate study to the public for 30 days to receive comments on the study itself and any changes to rates.

Comment: In part 4.1.6 it discusses grants being used to increase the supply and quality of care. Does this mean that capacity and/or quality grants will be coming back?

State Response: 4.1.6 is asking if the Lead Agency (OECOSL) provides child care services through grants or contracts for child care slots. We have answered this question that we do as we currently fund 31 different child care programs in 9 counties through what is commonly referred to in Indiana as “agreement center slots.” Agreement Center slots are awarded through a competitive Request For Funds (RFF) process to ensure equal access to high quality care, especially for infants and toddlers. These RFFs are done on a 2-year cycle. Information will be posted on the OECOSL website when opportunities arise for these grants again.

Comment: In part 4.1.8 it discusses recruitment of providers but doesn't actually say anything about how that is going to happen other than a generic response that is posted in other parts. How is the state going to help recruit new providers and what is being done to help the current staffing crisis?

State Response: OECOSL funds Child Care Resource and Referral (CCR&R) agencies across the state who have the responsibility to recruit new programs into the child care system. Information regarding the CCR&R in each area of the state and a description of the services they offer can be



found [here](#). Information regarding initiatives related to recruitment and retention of educators can be found [here](#), as part of the Build, Learn, Grow program. These include hiring stipends, increased reimbursement, greater access to subsidies for families which increases revenue to child care programs, as well as support for educators in accessing higher education through the TEACH scholarship program.

Comment: How are CCDF vouchers allocated in proportion to the local need as stated in 4.1.9? In our area, wait lists have been known to be long before covid, however, in other areas, it seems like there aren't even wait lists for people to have to be on.

Comment: How inaccurate was the data collection in terms of rates collected in December 2020?

State Response: Rates collected in December of 2020 were not reflective of costs that child care programs have indicated they have experienced and continue to experience since COVID –19. These increased costs have been attributed to things such as food increase, the need for additional supplies and the lack of regular child attendance causing funding shortfalls. OECOSL believes that in order to appropriately set rates for the next 3 year period understanding these changes and their implications to market rate setting is vitally important.

Comment: Section 4.2.5 says that a bi-weekly survey is requesting enrollment and rate data. No where does the survey request rate data, strictly enrollment, capacity, openings and staff openings. What survey is requesting rate data?

State Response: Thank you for bringing this to our attention as you are correct that the wording did not adequately reflect practice. The wording has been changed to the following:

The Lead Agency has completed a Narrow Cost Analysis, but the provider response rate was low and did not factor in pandemic related expenses. However, in response to the pandemic and related stimulus packages, the Lead Agency has implemented a bi-weekly survey of all CCDF-eligible providers. This survey requests enrollment data and should allow the Lead Agency to analyze more robust information regarding enrollment and capacity. In addition, the Lead Agency will be distributing payments from the ARP stabilization fund and will be able to collect additional cost information to supplement the existing narrow cost analysis and allow for study completion with more accurate results.

Comment: 4.2.5 also says that data is collected from an electronic provider survey that has a variety of questions such as operating schedule, operating budget, classroom breakdown and so on. What provider survey was this or has it not been distributed yet?

State Response: The answer in 4.2.5 is in response to questions regarding the narrow cost analysis that was completed in 2020. Providers eligible to participate were those enrolled in Paths to QUALITY™ from licensed centers, licensed family child care homes and unlicensed registered ministries. During the provider recruitment and selection process, care was taken to ensure programs from urban and rural settings would be equally represented within the study. Providers were also screened to ensure they met criteria that would ensure reliability, such as length of time in operation,

having sufficient capacity, serving children using CCDF vouchers, days and hours of operation and serving multiple age groups. Additional opportunities will be forthcoming for providers to provide cost information during the application for the ARP Stabilization grants.

Comment: Why does it say in 4.3.1 that setting the rates at the 75th percentile while not a requirement, would ensure that eligible children have access to three out of four childcare slots, does Indiana set them at under the 70th percentile and many of them are under 40th and 30th percentiles? This forces overages onto the families that they usually cannot pay for and then forces the provider to either deny the care or work for less than they need to. Providers have a cost of care per child that needs to be met simply to break even. If the percentiles were higher, then the overages wouldn't be as high or for some providers, may not exist at all.

State Response: Section 4.3.1 asks the Lead Agency (OECOSL) to report information, by age group, regarding the base rate (the rate paid when programs are regulated but not participating in PTQ) in our most populous county. You will see wide variation in base rates across Indiana due to the varying geographic regions and what each market can support. In addition, this question does not allow for information to be provided regarding the tiered reimbursement that Indiana does for programs participating in PTQ. With the addition of tiered reimbursement many rates are far above the 75th percentile.

Comment: Of the 94% of childcare centers and homes that participate in the CCDF program, how many of them, or what percent, became CCDF eligible providers after 3/15/2020?

State Response: This information can be obtained through a public records request. If the commenter wishes to seek this data it can be requested by emailing the OECOSL provider inquiry mailbox at: OECOSLproviderinquiry@fssa.IN.gov

Comment: Of the 94% of centers and homes that participate in the CCDF program, how many of them actually have enrolled CCDF children?

State Response: This information can be obtained through a public records request. If the commenter wishes to seek this data it can be requested by emailing the OECOSL provider inquiry mailbox at: OECOSLproviderinquiry@fssa.IN.gov

Comment: Section 4.4 states that lead agencies must pay for reasonable, mandatory registration fees that the provider charges to private paying parents, how do we go about having that take place so providers aren't losing that cost?

State Response: Indiana ECE programs are able to charge families receiving subsidies fees that are charged to private pay parents. Beginning October, 2021 the Lead Agency will conduct a provider survey to establish the registration fees charged to private-pay parents. These fees will be analyzed to determine a rate that is reflective of all payments. CCDF providers will receive a one-time annual payment based upon this rate and their CCDF enrollment as of 10/1/2021.

Section 4.4 also states that providers receive prompt notice of changes to a family's eligibility status that could impact payment. This doesn't happen in Indiana. Providers are forced to look online the week of

and then deny care at the door or ask for payment. We get a 10-day adverse action notice but that doesn't mean that parents no longer qualify for CCDF.

State Response: OECOSL appreciates this comment and will work to gather information from providers regarding the current practice that allows programs to see, in real time, the status of vouchers and provides notice within 10 days that a parent may lose their voucher. OECOSL agrees that providers need timely notification and will work to see if the current policy can be improved.

Comment: Section 4.4.1 states that lead agencies can be paid based on a child's enrollment rather than attendance. Why do we go through this complicated process of hours and will we ever be able to go to an enrollment payment rather than attendance?

State Response: OECOSL appreciates this comment and through efforts related to the American Rescue Plan Act will be gathering information through provider listening sessions in July and August to help determine if payment practices can or should be adjusted.

Comment: Add to 6.1.1 b ii These and other trainings offered through the Indiana Afterschool Network's Indiana Academy for Out-of-School Learning are also aligned with the competencies for Child & Youth Care (CYC) Certification.

State Response: OECOSL appreciates this comment and this addition has been made to the CCDF State Plan.

Comment: Also add 6.1.1 b iii (other) The CYC certification is a national credential for child and youth care work practitioners. It is based on a three-tiered system beginning with Entry Level and includes Associate and Professional Levels. CYC certification allows practitioners to demonstrate their development as professionals and participate in true career development. Over time, practitioners can combine in-service training, formal education and work experience to qualify for increasingly advanced positions. Or they can continue to work in the same setting with the ability to meet a wider range of youth needs. CYC Certification in Indiana is administered through Indiana Youth Services Association. CYC certification is recognized by Indiana Department of Workforce Development as a Promoted Industry Certification, by the Council on Accreditation, and as a School-Age Equivalent to a CDA.

State Response: OECOSL appreciates this comment and this addition has been made to the CCDF State Plan.

Comment: What is your plan for sharing this information regarding all available resources with parents and providers?

State Response: The OECOSL State Plan will be published on the OECOSL web page once approved by OCC. Additionally, the information about the public hearings was sent via text and email to those who subscribed to our update as well as a public hearing notice published in the Indy Star on June 2nd, 2021. It's also worth noting that many of our COVID-19 initiatives and resources for parents and providers are outlined on the Brighter Futures Indiana at <https://brighterfuturesindiana.org/>.

Comment: Is there a summary document of the State Plan in addition to the 244 page plan? Or a summary of changes from the current plan?

State Response: At the start of each of the public hearings, a short description of the plan and any updates or changes that were made were presented. You may access these recordings on the FSSA YouTube Channel here: <https://www.youtube.com/channel/UCVVvNG3e1fW4gf8ZZYoZNVg>

Comment: 1.3.1 KinderCare Education supports the Indiana Family and Social Services Administration (FSSA) in their efforts to engage and communicate with childcare providers. We recommend FSSA amend the description to identify the webinars and virtual round table meetings were heavily focused on COVID-19 and primarily a medium to deliver updates; the engagement did not include an explicit opportunity for childcare providers to offer input or suggestions for the development of the state's draft CCDF Plan for 2022-2024.

State Response: OECOSL did provide targeted communications via text and email to child care providers to encourage participation in public hearings to solicit comments and questions on the draft of the State Plan. Additionally, OECOSL worked with the chairs of our Provider Advisory Committees and the Regional Advisory Council chairs to obtain feedback. We were pleased to see a higher level of engagement from providers in these public hearings and via email than in previous years.

Comment: 1.8.3 We recommend FSSA update the URL website link for the Statewide Disaster Emergency Plan. The current link is not working; the correct link should be:

https://www.in.gov/fssa/carefinder/files/Indiana_OECOSL_Emergency_Response_Plan_for_Child_Care_Support.pdf or <https://www.in.gov/fssa/carefinder/provider-resources/emergency-response-planning-for-child-care-providers/>

State Response: OECOSL appreciates this comment and this has been corrected.

Comment: 2.3.5 We recommend FSSA provide more information in the description about the "childcare marketplace for families."

State Response: OECOSL appreciates the engagement regarding the initiatives funded by the CRRSA. All information regarding those initiatives can be found at <https://brighterfuturesindiana.org/build-learn-grow/system-building>

Comment: 3.1.3 KinderCare Education commends FSSA for eliminating the waiting list and supporting currently eligible families in choosing high-quality childcare. We urge FSSA to include in the description an interest in working with the Legislature and Governor over the Plan implementation period to increase income eligibility closer to 85% of state median income (SMI). This income level provides support for working parents who are neither wealthy nor have they yet secured themselves a position in the middle class. The state's income eligibility is approximately 40% of SMI. Indiana must ensure families are not left with the choice of wage security and placing their child in suboptimal or unsafe childcare settings.

State Response: OECOSL appreciates this comment and will be able to gather feedback on topics such as payment practices and eligibility criteria during listening sessions that will occur in July and August.

Information about those dates will be posted on the OECOSL website and sent to child care providers via email and text alerts.

4.1.3 KinderCare Education strongly recommends FSSA re-evaluate the descriptions designed to demonstrate the state's commitment to maximizing parental choice for families participating in CCDF. Providing information about the Consumer Statement and Parent pre-voucher does not describe how parents have access to a full range of providers. Instead, this describes how the Lead Agency promotes family engagement through outreach and consumer information (Section 2). The description of barriers to participation is not a thoughtful response to challenges that high-quality childcare providers may face in serving more children through CCDF. Relevant information for the descriptions in this Section should include the number and types of childcare providers eligible to participate in CCDF, the number of providers currently serving at least one child through CCDF, the number of families receiving CCDF funded childcare by type of childcare utilized, and an analysis of whether this demonstrates that families receiving CCDF-funded child care have equal access to childcare that is comparable to that of non-CCDF families.

State Response: OECOSL appreciates this comment and has updated this section to include additional data on CCDF participation as a share of all providers and child care vouchers as a share of total capacity. This now includes information related to our partnership with Early Learning Indiana and current research efforts to understand provider participation in CCDF and how that might impact access. Additions were also made related to the work of the Child Care Resource and Referral agencies which help support families by providing child care referrals to programs based on their needs and preferences.

Comment: 4.1.4 We recommend FSSA re-evaluate the description certifying that parents have unlimited access to their children enrolled in childcare to include the rules and/or regulations that require this policy. For example, Indiana Code 12-17.2-4-17 allows for unscheduled visits by a custodial parent or guardian of a child at any time a licensed childcare center is in operation.

State Response: OECOSL appreciates this comment and has made changes to 4.1.4. It now reads:

Parents are encouraged to visit their child's learning environment and participate in their education. The ability for parents to do unscheduled visits is also part of the statutory requirement for child care homes (IC 12-17.2-5-17 and 470 IAC 3-1.1-37), child care centers (IC12-17.2-4-17 and 470 IAC 3-4.7-17), and exempt programs (IC 12-17.2-35) and is posted online in the regulations at www.childcarefinder.IN.gov. This standard is verified during the annual inspections. CCDF providers also sign a Provider Information Page acknowledging that parents will have unlimited access to their children.

Additionally, general information about families visiting the program is communicated through our consumer education site, Brighter Futures at <https://brighterfuturesindiana.org/complaints>.

It is stated under Family Engagement Section on that page as follows:

Family Engagement

Quality programs work closely with families to ensure they are informed about their child's development and are a welcomed partner in their care. They often have an open-door policy, which means family members are free to come and go at any time. A program that provides written policies to include and engage families may be signs of true family partnerships.

Comment: 4.1.8 KinderCare Education recommends FSSA reconsider the responses for whether the state offers tiered reimbursement for providers who serve infants and toddlers. The Paths To QUALITY tiered reimbursement is the same amount regardless of the population served. This does not meet the intent of CCDBG to A Family of brands, for Families target state efforts and funds toward specific populations of families and children who are vulnerable, at risk, and underserved. A supportive tiered reimbursement structure would take into account the population served in addition to quality of care.

State Response: The Lead Agencies tiered reimbursement is based upon the base rates (by age group) and then increased based upon quality level. Infant/toddler rates are higher than other age groups due to the recognition that providing care for infants/toddlers is more expensive due to staffing regulations. This structure does take into account the age of child being served in addition to the quality of care being provided.

Comment: 4.2.1 KinderCare Education strongly supports FSSA's decision to conduct an additional market rate survey (MRS) to better reflect childcare tuition rates across the state. We are supportive of the bi-weekly survey to collect enrollment and rate data and look forward to the Narrow Cost Analysis and MRS scheduled for September 2021. In the meantime, we are greatly appreciative of the forethought to raise base reimbursement rates by 20%. Unfortunately, this increased rate still does not meet the recommended base reimbursement rate of the 75th percentile, set to ensure that providers have the resources they need to meet minimum standards pre-pandemic.

State Response: OECOSL appreciates the comment and looks forward to the partnership in the coming months to gather new data to inform rate setting.

Comment: 4.3.1 We recommend FSSA include an intent to work with the Legislature and Governor over the Plan period to continue raising base reimbursement rates. The benchmark for equal access established by the U.S. Department of Health and Human Services (HHS) is the 75th percentile of the current childcare market. Indiana's current rates - set at the 25th percentile - are far from meeting the costs of providing a safe and healthy environment. We remind FSSA that the base reimbursement rates are not intended to cover the cost of participating in the state's QRIS; we urge FSSA to add a description acknowledging the state has not kept up with the costs of providing childcare in Indiana (4.3.4).

State Response: OECOSL appreciates this comment and would like to let the commenter know that the Lead Agency (OECOSL) is required to analyze the cost of providing child services, known as the narrow cost analysis, that meet basic health/safety/quality and staffing requirements and higher-quality care at each level of quality, as defined by the Lead Agency. The analysis must identify the gaps between the cost of care and subsidy levels adopted by the state and then be considered as part of the rate setting process.

Comment: 4.3.3 KinderCare Education strongly supports the differential rate for providers participating in Paths to QUALITY at levels 3 and 4. This payment structure increases access for children to high quality childcare. We encourage FSSA to indicate an interest in advocating for the need for providers to receive financial support along the entire continuum of quality improvement, expanding resources for providers at all levels. Indiana is one of the more expensive states for childcare, with infant rates exceeding the cost of in-state tuition for a four-year public college. The financial constraints of parents may prevent childcare providers from setting their prices to cover the full cost of high-quality care, which is unaffordable for many families.

State Response: OECOSL appreciates this comment. CCDF subsidies were designed to subsidize, or pay part of the cost of child care for families. The structure of the federal funding stream was not intended to cover the full cost of providing care and thus rates may never cover the entire cost faced by providers. OECOSL will continue to work with stakeholders to address gaps in the system and to improve practices over the course of the next 3 year plan period.

Comment: 4.4.1 KinderCare Education recommends FSSA describe an interest in working over the Plan period to permanently reinstate the absence and personal day policies developed during the COVID-19 pandemic. Increasing paid absences better reflects A Family of brands, for Families generally accepted payment practices as private-pay families remain enrolled and responsible for tuition regardless of attendance. When childcare providers have stable funding sources, they can commit to hiring higher qualified staff and providing more robust programming. Additionally, we suggest FSSA certify the Lead Agency does not pay for registration fees and either include an intent to change this policy over the Plan period or describe the data that shows this practice is not generally accepted in Indiana. KinderCare Education recommends FSSA include an interest in replacing the swipe card system with an electronic system that utilizes a QR Code. Earlier in the Plan, the Lead Agency identified a recent change with the On My Way Pre-K attendance system; we suggest FSSA advocate for increased funding to update and replace the swipe card system for all childcare providers participating in CCDF.

State Response: OECOSL is working with its Early Learning Advisory Council (ELAC) to receive input from a variety of stakeholders regarding policy changes, such as the additional personal days, to receive recommendations regarding what changes should remain after the public health emergency ends. For information or ways to participate in the ELAC meetings you can visit the ELAC website [here](#). OECOSL has completed a Request for Proposal (RFP) and awarded a contract to a new partner to begin to build a new Child Care Information System for the state. This new technology will allow Indiana to re-evaluate technology options that exists for payment and attendance tracking.

Comment: 4.5.1 We suggest FSSA include additional data on the definition of "average" as determined for tuition overage amounts, particularly how the quality rating of a childcare provider was taken into consideration.

State Response: When families complete their provider enrollment form providers indicate the amount that they charge for child care. Families are then informed regarding the rate that will be paid through CCDF subsidy and the difference between those dollar amounts. The answer provided in 4.5.1 was taken directly from the States information system and does take into account the quality

level of the provider given that the information was provided directly from the child care itself. While the comment is one that provides interest in the process the response has not been changed in 4.5.1.

Comment: 5.5.4 KinderCare Education recommends FSSA work over the Plan period to pursue designation as a "Compact State" and participate in the National Fingerprint File (NFF) program. One of the biggest advantages of becoming an NFF state is the reduction of duplicative record maintenance for interstate background checks. An FBI fingerprint check satisfies the requirement to perform an interstate check of another state's criminal history record repository if the responding state participates in the NFF program.

State Response: OECOSL appreciates this comment and understands the benefits of becoming a NFF state.

Comment: It is our understanding that the Child & Youth Care (CYC) Certification, administered by Indiana Youth Services Bureau, is equivalent to the Child Development Associate (CDA) certification for School-Age providers in Paths to QUALITY™. We encourage you to include language referencing the CYC in the Specialized Credentials and Training (6.2.4) and Professional Development Framework (6.1) sections.

State Response: OECOSL appreciates this comment and this information has been added to section 6.1.

Comment: 3.1 ECEC encourages FSSA to reduce barriers for family participation in early childhood education and care services, in particular those barriers faced by low-income families. ECEC also encourages FSSA to promote flexibilities as needed to facilitate access.

State Response: OECOSL agrees that reducing barriers to family participation is a key component of the CCDF program.

Comment. 4.1.3 Expanding access for low-income families requires improving support for providers. For years, low reimbursement rates and unreliable funding streams have made it difficult for providers to serve families requiring subsidy assistance, ultimately limiting child care options for families in need. Before the pandemic, fewer than 1 in 6 families eligible for child care financial assistance utilized it, in part due to a lack of participating high-quality providers.¹ Even providers that participate are often forced to raise fees disproportionately for non-subsidized families to make up for the funding gaps for children who are eligible for subsidy. Therefore, ECEC strongly urges FSSA to align with the federally recommended rate of 75th percentile. Increasing rates will boost wages and lead directly to an increase in the number of available slots.

State Response: OECOSL appreciates this comment and would remind the commenter that the Lead Agency (OECOSL) is required to analyze the cost of providing child services, known as the narrow cost analysis, that meet basic health/safety/quality and staffing requirements and higher-quality care at each level of quality, as defined by the Lead Agency. The analysis must identify the gaps between the cost of care and subsidy levels adopted by the state and then be considered as part of the rate setting process.

Comment: 4.4.1 ECEC urges FSSA to elevate the importance of meeting the CCDBG Act requirement to establish policies that reflect generally accepted payment practices for child care providers, including (to the extent practicable) delinking provider payments from occasional absence days and paying on a full- or part-time basis versus hourly. This pay structure results in gaps in revenue that ultimately dissuade providers from participating in the subsidy system.

State Response: Provider payments are delinked from a child's occasional absence through Indiana's business rule for the number of hours of attendance required for full time payment. Providers are paid a full-time rate for any non-school age child who attend at least 25 hours per week. Providers are paid a full-time rate for school age children who attend at least 10 hours a week during the school year). Provider payments are delinked to occasional absences through the use of paid personal days, paid holidays and paid inclement weather days.

Comment: 5.5.1 For many child care providers, the biggest barrier to reopening or using available space is the challenge of finding qualified staff. In many cases, existing classrooms remain closed due to a lack of qualified staff, limiting child care options for families. For this reason, ECEC urges FSSA to reduce the administrative burden to become employed in a child care setting by streamlining fingerprinting and background checks to reduce the wait time for qualified staff to begin employment.

State Response: OECOSL agrees that the completion of comprehensive background checks is a vital component of ensuring the health and safety of children. Over the last CCDF state plan period OECOSL moved to an electronic submission for the Consent to Release Information as well as paying for the fees associated with finger printing. OECOSL's average time to process a background check is 5 to 7 business days which far exceeds the federally required timeline to process within 45 days. OECOSL will continue to evaluate and monitor processing times in the next plan period.

Comment: 6.3.1 ECEC urges FSSA to incentivize professional development by paying for and rewarding credentials such as CDA credentials and post-secondary degrees. ECEC also urges FSSA to reward longevity in the field through financial incentives at key benchmarks. These initiatives will help recruit and retain a high-quality workforce.

State Response: Through T.E.A.C.H. Early Childhood® Indiana facilitated by the Indiana Association for the Education of Young Children (INAEYC), OECOSL supports the attainment of credentials and post-secondary degrees including Associate's and Bachelor's degrees. This scholarship program includes the opportunity for bonuses upon credential attainment, renewal and the successful complete of coursework towards a degree on an annual basis. Additional information about this scholarship can be found here: <https://inaeyc.org/programs/teach/> Lastly, OECOSL provides support for the Indiana Non-Formal CDA Project which helps early childhood educators complete the professional early childhood education and assessment necessary to apply for and earn the national Child Development Associate® (CDA) Credential™ administered by the Council for Professional Recognition. These courses also include adult education support, professional development support, and scholarship assistance for the CDA Assessment/Credentialing fees. Additional information about this project can be found here: <https://inaeyc.org/programs/indiana-non-formal-cda-project/>

Comment: 7.3.1 National accreditation and QRIS program standards encourage providers to go beyond licensing regulations to improve the health and safety for Indiana's most vulnerable children. However, rates are still too low to cover the cost of quality care, placing a heavy burden on those providers. We encourage FSSA to increase the rates for quality care to help with the high-cost burden.

State Response: Through our tiered reimbursement, providers rated Level 4 in our Quality Rating and Improvement System, Paths to Quality™, currently receive the highest level of reimbursement. CCDF subsidies were designed to subsidize, or pay part of the cost of child care for families. The structure of the federal funding stream was not intended to cover the full cost of providing care and thus rates may never cover the entire cost faced by providers. OECOSL will continue to work with stakeholders to address gaps in the system and to improve practices over the course of the next 3 year plan period.

Comment: 7.8.1 ECEC encourages FSSA to reward accreditation and consider covering the cost of accreditation fees with the additional CCDBG funding. COVID-19 put an extraordinarily high burden on providers, so support for maintaining quality such as paying for accreditation fees can go a long way.

State Response: The Indiana Accreditation Project facilitated by the Indiana Association for the Education of Young Children with funding from OECOSL provides coaching and financial resources to early care and education facilities that are enrolled in Paths to QUALITY™, Indiana's early care and education Quality Rating and Improvement System (QRIS). Additional information about that project can be found here: <https://inaeyc.org/indiana-accreditation-project/>

OECOSL received other questions during the public hearings that were not specifically related to the CCDF State Plan. Those questions/comments are answered below.

Questions were submitted surrounding the use of the POS machines for purposes of tracking attendance and if this process might be updated in the future.

State Response: OECOSL did complete a Request for Proposal in 2019 to determine if new technology had been developed to support attendance tracking for purposes of child care subsidies. At the time, no solution was found that met the state's needs. This process will be completed again during the CCDF 3-year state plan period. OECOSL remains committed to identifying technology that allows for a more seamless process for families and child care providers.

Questions were submitted from families regarding child care voucher specific questions and how to receive updated information on case specific issues.

State Response: Families who have applied or are currently enrolled in the CCDF subsidy program who have questions about their voucher can reach out to their eligibility office for support. Each eligibility office location and contact information can be found here. If the eligibility office is unable to answer a family's question contact with the Brighter Futures call center can support the families needs. Contact with the call center can be done through either calling 1-800-299-1627 or by visiting brighterfutures.indiana.org.

Questions were submitted regarding the raising of eligibility limits for qualification for the CCDF program.

State Response: By statute, Lead Agencies may serve families whose parents are working or in education or training activities, and families whose children are receiving protective services. By statute, Lead Agencies may serve families whose income levels do not exceed 85 percent of the state median income (SMI) for a family of the same size, and whose family assets do not exceed \$1,000,000 (as certified by a member of such family). Indiana has chosen to have initial eligibility determined at 127% of the Federal Poverty Limit, which differs from SMI but use the 85% of SMI when families reauthorize. This decision was made to minimize the cliff effect that may occur as families progress in the program. This decision will be evaluated during the stakeholder engagement sessions held in July and August.

Questions were submitted about the need for Indiana's Quality Rating and Improvement System, Paths to Quality(TM).

State Response: In order to improve the quality of child care programs, states across the nation are using Quality Rating and Improvement Systems, such as the one here in Indiana, Paths to QUALITY™. Quality Rating and Improvement Systems assess the quality of care within a program, work to improve that quality level, and give families an easy to recognize symbol that makes the difficult decision of choosing child care easier. These systems also provide an accountability measure for funding and create an alignment between licensing, subsidy and quality across child care, Head Start and the Department of Education's early learning guidelines.

Paths to QUALITY™ gives families an easy to recognize tool for selecting a child care program. Families can look for the Paths to QUALITY™ logo to determine what level their provider has achieved. Each level builds on the foundation of the previous one, resulting in significant quality improvements at each stage and in national accreditation at the highest level. The system validates child care programs for ongoing efforts to achieve higher standards of quality and provides incentives and awards for success.

Comment: Several letters and statements of support for the T.E.A.C.H. Scholarship project, the Indiana Accreditation Project, and Non-Formal CDA Project were received by OECOSL.

State Response: OECOSL is also appreciative of the support from our partners at Indiana AEYC to help facilitate activities outlined in this plan.

Questions were received regarding the rate setting process and why child care homes are reimbursed at a lesser rate than centers.

State Response: CCDF rates have been historically set based upon information gained through the Market Rate Survey (MRS) process. The survey completed for the current CCDF state plan can be found at https://www.in.gov/fssa/carefinder/files/MR_Report_Indiana_2018.pdf Within this report rates that were reported by child care home provider were less than those reported by child care centers. This is typically because there are greater infrastructure costs associated with child care centers. Rates were established using the information that was provided to OECOSL from Indiana providers which indicated a lesser rate for child care homes verses child care centers.

Questions were submitted regarding financial support for programs to participate in Paths to Quality.

State Response: Information regarding Paths to Quality program incentives can be found at <https://www.in.gov/fssa/pathstoquality/info-for-programs/program-incentives/>

Questions were submitted regarding the States intention to develop a registry that captures the education and training for providers.

OECOSL has completed a Request for Proposal (RFP) and awarded a contract to a new partner to begin to build a new Child Care Information System for the state. This new technology will allow Indiana to re-evaluate technology options that exists for payment and attendance tracking.

Comment: I love the paths to quality support. The CDA is the best thing going. What makes we providers better make OUR KIDS BETTER AS WELL THANK YOU

State Response: We sincerely appreciate the positive feedback in regard to your experience with Paths to QUALITY and the support available through the system.

Comment: Consideration for future funding such as hazard pay for providers that remained open during the pandemic.

State Response: OECOSL is committed to using COVID-19 child care relief funds to not just help programs rebuild their operations but implement solutions that will provide long term recovery. To address increased operating expenses and enable programs to make forward-looking business decisions and not deemed “hazard pay”, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK.

Comment: Continue to support essential workers

State Response: Currently, scholarships are available for essential workers through October through the Build Learn Grow Scholarship. We will evaluate to determine if this program can be extended to provide additional support. Additional information for families and providers about this scholarship can be found here: <https://brighterfuturesindiana.org/build-learn-grow>

Question: Is there anything in the plan that addresses broadband/internet services in the rural areas for family childcare homes and other providers?

State Response: Not at this time.

Comment: Priority should be on lifting the ECE Workforce as part of our state's infrastructure and Indiana's economic stability.

State Response: OECOSL appreciates this comment and will continue to work with partners on child care workforce challenges.

Comment: Annual inspections should be scheduled because providers have plans for their children and staff and may be out of the childcare home if a pop-up happens especially in the summer months.

State Response: Thank you for this feedback; however, licensing visits are federally required to be unannounced. OECOSL will work more diligently to communicate with providers to understand when field trips are planned as to not interrupt operations.

Comment: Essential workers should receive childcare so that they can work, not just through grants.

State Response: Currently, there is an opportunity for essential workers to receive a scholarship for child care through the Build Learn Grow Scholarship Fund. More information about that scholarship for families and providers can be found here: <https://brighterfuturesindiana.org/build-learn-grow>. Additionally, during the public health emergency essential workers have been deemed a priority in the CCDF state plan. This means that they do not go into a CCDF waitlist and get services immediately.

Comment: Can we get Hazard pay no matter what level of Path to Quality during this pandemic. We should be back paid for this as other companies got hazard pay.

State Response: OECOSL is committed to using COVID-19 child care relief funds to not just help programs rebuild their operations but implement solutions that will provide long term recovery. To address increased operating expenses and enable programs to make forward-looking business

decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK.

Question: Will wages across the board increase so that we are able to pay workers compensation?

State Response: OECOSL is committed to using COVID-19 child care relief funds to not just help programs rebuild their operations but implement solutions that will provide long term recovery. To address increased operating expenses and enable programs to make forward-looking business decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK. Providers may use these dollars for business related expenses as they see appropriate such as raising salaries of their staff.

Question: Will you Please increase rates across the board so the we can hire employees?

State Response: OECOSL is committed to using COVID-19 child care relief funds to not just help programs rebuild their operations, but implement solutions that will provide long term recovery. To address increased operating expenses and enable programs to make forward-looking business decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK. Providers may use these dollars for business related expenses as they see appropriate. Additionally, OECOSL will provide support for increased food costs by increasing CACFP reimbursements for participating programs. Claims submitted for costs incurred during May-Sept. 2021 will be eligible for the increased reimbursement. Lastly, OECOSL has been and will continue to cover the costs of finger printing and is providing hiring stipends to allow programs to have additional funding to hire staff. More information about all these initiatives can be found at <https://brighterfuturesindiana.org/build-learn-grow>.

Question: Is there going to be consideration for giving vouchers to grandparents who are raising their grandchildren? Many are not working or unable to work but need support. (This could also be relevant for other relatives such as aunts and uncles, for example.)

State Response: The federal regulations require that families are working, going to school, or attending job training to qualify for CCDF subsidies. Currently, Indiana is taking the flexibility offered to also allow those searching for work to qualify for CCDF subsidies. For the State's On My Way Pre-k program there is flexibility for grandparents raising their grandchildren to access funding for their 4-year-old. For more information about how to apply for On My Way Pre-k please visit <https://www.in.gov/fssa/carefinder/on-my-way-pre-k/>

Question: Is there going to be consideration for a family obtaining vouchers where one parent works but the second parent chooses to be "a stay at home mom" who needs to stay at home to watch younger children? Working and then paying for childcare for smaller children may not be good financially for the family, so the four-year-old stays home, too.

State Response: The current process does not allow for the scenario described but OECOSL appreciated this comment and will continue to gather feedback on this need.

Comment: we need teachers bad

State Response: OECOSL understands the need to address workforce challenges facing child care programs in Indiana. We will be utilizing CRRSA Funds to embark on a large workforce recruitment campaign to help support programs. Additionally, background check fees will be waived through April of 2022, and there are currently \$400 onboarding stipends being provided to help offset costs related to hiring and training new staff. For more information on these initiatives please visit <https://brighterfuturesindiana.org/build-learn-grow>.

Question: Can I get contact information for my local (Vanderburgh County) CCDF office.

State Response: Vanderburgh county is served by Automated Health Systems.

- **Contact:** Phyllis Synesael
- www.INchildcare.org
- **Phone:** 855-533-7342
- **Fax:** 855-631-0120

Additionally, AHS offers virtual office hours. More information on those can be found here: <https://www.in.gov/fssa/carefinder/child-care-assistance/>

Question: Do your CCDF service providers receive training on working with people in poverty?

State Response: There are multiple opportunities for child care programs to receive support regarding working with families living in poverty. Trainings are free to child care programs and offered in a variety of ways including online and on demand training through Indiana Learning Paths and through face to face or cohort trainings through SPARK Learning Lab. For more information regarding technical assistance to child care programs please visit <http://indianaspark.com/>.

Question: Is there currently a waiver for market averages? I am the only registered/licensed facility in my county and my market is based on in-home babysitting if I understand that correctly.

State Response: If at any time a child care provider believes that their rate was set incorrectly, they can contact their CCR&R for support. The CCR&R will work with OECOSL to look at how the rate was established and make any adjustments needed. For information about how to contact the local CCR&R please visit <https://www.in.gov/fssa/carefinder/child-care-resource-and-referral-changes/>

Question: Is there currently a waiting list for vouchers?

State Response: Due to the increased funding, OECOSL is implementing rolling CCDF voucher enrollments. The goal is to ensure a family waits no more than 2 weeks after submitting their application before they are contacted to schedule their eligibility determination appointment.

Question: Would other college students other than Ivy Tech be able to receive the referral to access CCDF voucher?

State Response: Yes. Going to school is an eligible service need. To qualify for the Child Care and Development Fund (CCDF), you must:

- **Be working or going to school, or have a referral from the Department of Child Services (DCS) or from a TANF/IMPACT case worker,**
- **Be within federal income guidelines,**
- **Have proof of identity for all family members,**
- **Live in the State of Indiana,**
- **Have less than one million dollars in assets, and**
- **The children who receive CCDF help must be a U.S. Citizen or qualified legal alien.**

Comment: The greatest barrier to hiring staff and retaining them is wages. We can't be competitive with other businesses without more than doubling rates.

State Response: OECOSL is committed to using COVID-19 child care relief funds to not just help programs rebuild their operations but implement solutions that will provide long term recovery. To address increased operating expenses and enable programs to make forward-looking business decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK. Providers may use these dollars for business related expenses as they see appropriate. To support recruitment and onboarding costs associated with hiring new team members, OECOSL will waive background check fees and issue \$400 stipends to child care programs for each new hire. Stipends may be used to cover costs associated with recruitment, employee health and safety requirements, and mandatory job training.

Question: the COVID grants have been amazing in helping us do what we need to as a preferred childcare. Will there be more grants to help us?

State Response: OECOSL is committed to streamlining processes to avoid creating administrative burdens for providers. We have implemented several initiatives where funding is provided without the need for providers to take action to receive support. To address increased operating expenses and enable programs to make forward-looking business decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK. Providers may use these dollars for business related expenses as they see appropriate. To support recruitment and onboarding costs associated with hiring new team members, OECOSL will waive background check fees and issue \$400 stipends to child care programs for each new hire. Stipends may be used to cover costs associated with recruitment, employee health and safety requirements, and mandatory job training.

Lastly, OECOSL is working to provide stabilization payments to providers through the American Rescue Plan funding. It is anticipated that the Lead Agency will utilize a formula, produced from information gathered in the narrow cost study, to determine the stabilization payment amount. The online

application will ask providers to report their current class size by age group, if the class is open or closed, and the typical enrollment for that classroom.

Other information will be prepopulated as to minimize the reporting burden on providers and that information, in combination with what is reported, will generate a total dollar amount to be provided through the stabilization grant. All assumptions will be displayed so that providers can validate the accuracy of the information or provide additional information if they disagree with the assumptions of the model. Payments will take into account quality level as well as ways to provide enough funding to open closed classrooms to increase needed capacity.

Comment: While I understand that you all help with background check fees home daycare need increased rates to acquire and maintain quality staff

State Response: OECOSL is committed to streamlining processes to avoid creating administrative burdens for providers. We have implemented several initiatives where funding is provided without the need for providers to take action to receive support. To address increased operating expenses and enable programs to make forward-looking business decisions, the Office of Early Childhood and Out-of-School Learning (OECOSL) is currently issuing temporary Emergency Relief Grants which offer a 20% increase to reimbursements for programs serving children receiving CCDF/OMWPK.

Question: Will we ever get paid just based on the county we provide care in and not the county the child comes from? I border two counties and their rates are significantly lower than mine but parents don't want to pay the average.

State Response: OECOSL has been working over the last year to analyze the impacts of making this change. We will assess this as part of our plan under Build, Learn, Grow and provide opportunities for communities to give input on this topic.

Question: When parents no longer qualify for vouchers is there anything that can be done so providers aren't stuck with open spots for weeks, something like a grace payment for providers? We don't know that a parent has lost their vouchers until Sunday of the week they are no longer valid.

State Response: OECOSL has completed a Request for Proposal (RFP) and awarded a contract to a new partner to begin to build a new Child Care Information System for the state. This new technology will allow Indiana to re-evaluate technology options that exists for provider communications. Providers can submit a Late Attendance Appeal for any services rendered that were not reimbursed, however CCDF will not pay for 2 week notices. CCDF Provider Manual, Pages 27&28, which can be found here: <https://www.hoosierchildcare.com/eccpw/forms/ProviderManual.pdf> In the provider portal located at www.hoosierchildcare.com, under the My Vouchers section you can chose see other CCDF vouchers from the drop down and see any future vouchers. If a family has reauthorized their case and the vouchers have been continued it will appear in this section.

Question: Why are schools allowed to have the internet enabled machine but the homes are no longer allowed to get them? The phone machines are completely outdated and take forever to get approvals to go through.

State Response: OECOSL appreciates this comment and through efforts related to the American Rescue Plan Act will be gathering information through provider listening sessions in July and August to help determine if payment practices can or should be adjusted.

Question: Why are schools on autoapprove for late attendance but child care is required to have parents still go approve?

State Response: Swipe activity is required to track time, attendance and to determine reimbursement. Schools have multiple means by which they are required track attendance and have a scheduled school day. In an effort to standardize the attendance approval process for schools, a pilot project was developed to test the autoapprove process. This was due to their requirement to report attendance to the Department of Education, which is used by FSSA Audit to verify attendance and ensure accuracy in payment for services.

Comment: The appeals process for late attendance isn't in the favor of a provider at all. If parents simply don't approve it and it hits 42 days, why can't it be approved instead of denied? Trying to track down parents and then appealing with all of the necessary information to get them approved is time consuming and the providers shouldn't have to spend that much time attempting to get parents to follow through on their part of vouchers.

State Response: OECOSL appreciates this comment and through efforts related to the American Rescue Plan Act will be gathering information through provider listening sessions in July and August to help determine if payment practices can or should be adjusted. The current Late Attendance Appeal process for denied late attendance and is explained in the CCDF Provider Manual, page 28, which can be found here: <https://www.hoosierchildcare.com/eccpw/forms/ProviderManual.pdf>

Question: Will there ever be a separate pay tier for homes that are strictly used for business and no one lives in? Those providers have completely separate expenses than those who live in their homes which is why the rates for those businesses are higher. We do not share expenses with a household so our tuition rates are generally higher than other types of homes.

State Response: The current process does not allow for the scenario described but OECOSL appreciated this comment.

American Rescue Plan Related Questions

OECOSL received questions and comments related to the American Rescue Plan funding.

State Response: OECOSL is working to provide stabilization payments to providers through the American Rescue Plan funding. It is anticipated that the Lead Agency will utilize a formula, produced from information gathered in the narrow cost study, to determine the stabilization payment amount. The online application will be prepopulated with information as much as possible to minimize the reporting burden on providers. Payments will take into account quality level as well as ways to provide enough funding to open closed classrooms to increase needed capacity. We received several comments related to using these funds to support higher wages and benefits for providers. We appreciate these comments and will include this with information from a planned listening tour with providers throughout the summer. We will continually update information on OECOSL's relief and recovery efforts here: <https://brighterfuturesindiana.org/build-learn-grow>.