



Mike Braun, Governor
State of Indiana

Indiana Family and Social Services Administration
Office of Early Childhood and Out-of-School Learning

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FOR IMMEDIATE RELEASE

**OECOSL Announces Updated Child Care Voucher Rates to Comply with
Federal Regulations and Protect Families**

INDIANAPOLIS – Today, the Indiana Family and Social Services Administration’s Office of Early Childhood and Out-of-School Learning (OECOSL) announced revised Child Care and Development Fund (CCDF) voucher reimbursement rates. These adjustments address a \$225 million funding gap through 2026 created by the prior administration’s unsustainable use of temporary COVID relief funds and ensure continued compliance with federal requirements.

To establish equitable rates, OECOSL received surveys from 25 percent of licensed childcare providers and analyzed their cost data, arriving at reimbursement levels that reflect current operating realities.

“We made this decision to protect the children and families that depend on CCDF vouchers. There is only one pot of money—we could either protect providers or kids, and we chose kids,” said Adam Alson, Director of OECOSL.

As of July, approximately 55,000 Hoosier children rely on CCDF vouchers—a decrease from the December 2024 peak of 68,000, yet still markedly above the pre-pandemic average of 35,000 recipients.

These rate changes prevent disruptions to voucher access and maintain federal compliance by establishing sustainable rates:

- Infants (0–12 months): 10 percent decrease
- Toddlers (13–36 months): 10 percent decrease



- Preschoolers (3–5 years): 15 percent decrease
- School-Age Children (K–12): 35 percent decrease

Rationale and Background

- April 2021: Indiana increased CCDF rates by 20 percent per child using one-time COVID relief funds without a sustainability plan.
- 2023: The prior administration issued “transitional reimbursement rates” that didn’t address the impending financial cliff.
- Result: An overexpansion of child care capacity reliant on temporary funding, leading to a projected \$225 million deficit by 2026.
- 2025 Legislative Session: The Governor and General Assembly made historic investments in childcare (\$147.25 million) to avert more severe provider rate cuts and protect thousands of waiver recipients.
- Today’s Action: Rate adjustments align reimbursements with actual provider costs and federal regulations, correcting the trajectory set two years ago.

“We remain committed to strengthening Indiana’s early childhood system. While we regret the necessity of these adjustments, they are essential to ensuring uninterrupted access to affordable care for Hoosier families,” added Director Alson.

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