

Analysis of Funding that Supports Early Childhood Programs and Services in Indiana

Developed by the Early Learning Advisory Committee
Funding Streams Workgroup

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ELAC Funding Streams Workgroup

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Summary of Early Childhood Funding Sources

The intent of the following memorandum is to provide an overview of funding that supports early learning programs in Indiana. For purposes of this memorandum, we adopt the following definition of early childhood: We define early childhood as the period from birth to age five, although we also recognize the importance of quality pre-natal care in early childhood outcomes. Early childhood opportunities help children enter school ready to learn and prepared to thrive. These opportunities include home visiting services, early intervention services, and early childhood education programs.

Early Childhood in Indiana

Indiana is home to 508,938 children ages 0-5. More than 45% of young Hoosier children live in families whose incomes fall below 185 percent of the federal poverty level.¹ Nearly two thirds (65.7%) of young Hoosier children (334,372 children ages 0-5) require program-based or relative care because they live in families where all parents are in the labor force.² Indiana's 896 high quality³ early childhood education programs only serve 37,158 young children (ages 0-5) or about 11% of the children in need of child care.

The **Early Learning Advisory Committee** (ELAC) was established in 2013 by the Indiana General Assembly (IC 12-17.2-3.7) to assess the availability, affordability and quality of early childhood programs statewide and to make best practice recommendations for interventions to improve and expand early childhood education. In response to its statutory charge, ELAC conducted a needs assessment in Indiana, including the population of young children, the accessibility of early childhood education, the affordability of early childhood education, and the quality of early childhood education. In response to this needs assessment, ELAC developed the following vision statement to guide its work: *The ELAC is working to ensure that children ages birth to 8 years and their families have access to affordable, high quality early education programs that keep children healthy, safe and learning.*

In so doing, ELAC adopted the following definitions:

- Accessibility – Access to early childhood education programs.
- Affordability – Ability of families to pay for early childhood education.
- Quality – Ability of early learning programs to deliver best-practice based results.

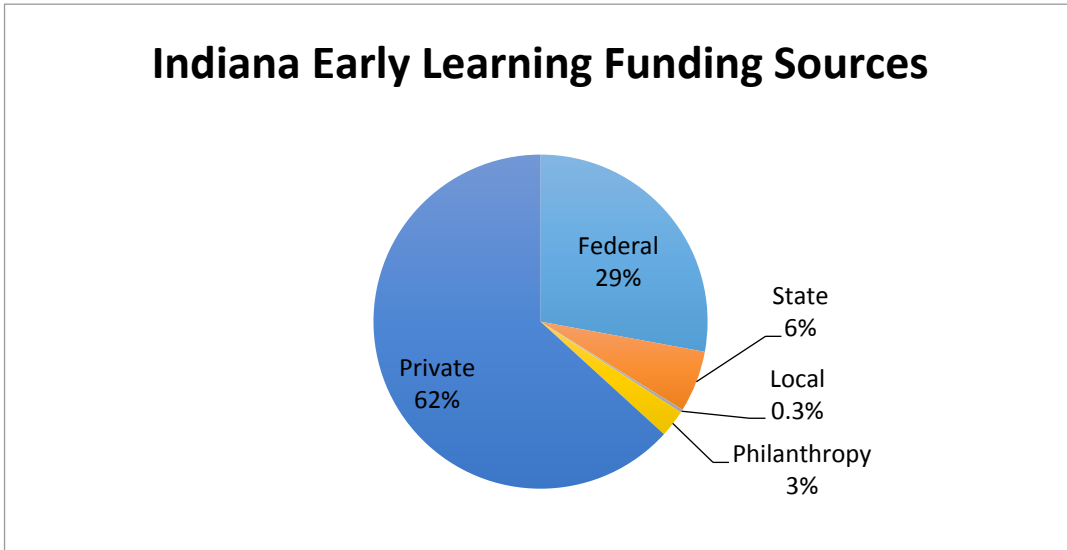
The **funding sources** highlighted in the report include the following categories: federal funding, state funding, local funding, philanthropic and private funding. In the following tables, the funding sources are further categorized by age group (0-3 and 3-4) and whether or not funding may be used to further the goals of accessibility, affordability and/or quality.

Based on the information collected, we estimate that **\$1,412,437,024** supports early learning in Indiana. The greatest percentage of funding (\$874,914,909) comes from parents that pay for early learning services followed by federal (\$414,789,110) and state (\$82,228,140) funding.

¹ 2009-2013 American Community Survey 5-Year Estimates, Tables B17022 & B17010

² 2013 American Community Survey 1-Year Estimate, Table B23008. Raw number adjusted to match population data from Puzanchara, C., Sładky, A. and Kang, W. (2014). "Easy Access to Juvenile Populations: 1990-2013." Online. Available: <http://www.ojjdp.gov/ojstatbb/ezapop/>

³ High quality is defined as Paths to Quality (PTQ) Level 3 and 4, and Non-PTQ Accredited Programs.



While this memorandum provides a comprehensive overview of the existing funding that supports early learning in Indiana, there are opportunities for improvement to better understand the current availability and utilization of these funding sources. For example, one of the challenges with the current funding information is the inability to identify the portion of the allocation that is spent on specific age groups (ages 0–5 for our purposes) as well as how the funding is and can be used (regarding our definition of accessibility, affordability and high quality). ELAC is working with the identified funders to modify reporting requirements and improve data collection efforts to have more accurate and complete information on the status of early learning funding in Indiana.

Table of Contents

Federal Funding..... 6

State Funding 7

Local Funding 8

Philanthropic Funding 8

Private Funding 9

Federal Funding Definitions.....10

 Child and Adult Care Food Program10

 Child Care and Development Block Grant Act of 201410

 Early Head Start10

 Head Start.....11

 Early Head Start – Child Care Partnerships11

 Individuals with Disabilities Education Act, Part B, Section 61911

 Individuals with Disabilities Education Act, Part C12

 Maternal and Child Health Block Grant12

 Maternal, Infant, and Early Childhood Home Visiting Program12

 Social Services Block Grant.....13

 Temporary Assistance for Needy Families13

 Title I, Part A Grants to Local Educational Agencies14

 Title I, Part C Education of Migratory Children14

 Title III Language Instruction for Limited English Proficient and Immigrant Students15

State Funding Definitions15

 State Match for Federal Programs.....15

 Early Education Matching Grant Program.....15

 Healthy Families Indiana16

 On My Way Pre-K Pilot Grant Program.....16

Local Funding Definitions17

 Indy Preschool Scholarship Program17

Philanthropic Funding Definitions17

 United Way Agencies17

 Private, Family, Community and Corporate Foundations.....17

Private Funding Definitions18

 Parent Private Pay18

 Employer-Sponsored Programs.....18

Chart of Early Learning Funding in Indiana

Funding Source	Early Learning Services Provided ⁴			Funding Amount	Children Served	Year
	Accessibility	Affordability	Quality			
Federal Funding						
Child and Adult Care Food Program (CACFP)	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$0 ⁵	TBD	2014
Child Care and Development Block Grant (CCDBG)	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$146,090,394	41,994	2014
Early Head Start	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$20,740,088	2,842	2014
Head Start	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$94,482,623	15,324	2014
Early Head Start and Child Care Partnerships ⁶	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$9,100,000	518	2015
Individuals with Disabilities Education Act (IDEA), Part B, Sec 619	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$8,322,713 ⁷	12,816 ⁸	2014
Individuals with Disabilities Education Act (IDEA), Part C	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$8,722,757	21,574	2014
Maternal and Child Health Block Grant (MCHBG)	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$12,500,000	161,160 ⁹	2014

⁴ Age 0-3 = children up to 3 years of age. Age 3-4 = children who are 3 and up to age 5.

⁵ Indiana is unable to determine how much of these funds were spent solely on children under 5 years old. Therefore, this amount is *not* included in the subtotal of federal funding.

⁶ This is a new competitive federal grant. Four grantees in Indiana were selected to receive funds in 2015.

⁷ This represents the allocation to Local Education Agencies (LEAs) that serve preschool children.

⁸ This includes the total number of preschool children served as of 12/1/13.

⁹ The total number served includes women and children in 2013.

Analysis of Early Childhood Funding Sources in Indiana

Funding Source	Early Learning Services Provided ⁴			Funding Amount	Children Served	Year
	Accessibility	Affordability	Quality			
Maternal Infant Early Childhood Home visiting (MIECHV)	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$10,708,215 ¹⁰	2,420 ¹¹	2014
Social Services Block Grant (SSBG)	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$0 ¹²	N/A	2014
Temporary Assistance for Needy Families (TANF)	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$89,137,722	N/A	2014
Title I, Part A – Prekindergarten	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$14,984,598 ¹³	5,207	2014
Title I, Part C – Education of Migratory Children	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$0 ¹⁴	322	2014
Title III – English Language Learners	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$0 ¹⁵	18	2014
Federal Subtotal:					\$414,789,110	
State Funding						
Early Education Matching Grant (EEMG)	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$2,100,000 ¹⁶	484	2014
Healthy Families Indiana (HFI)	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$1,260,575	449	2014
On My Way Pre-K	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	\$11,000,000 ¹⁷	1,600	2014

¹⁰ This funding was awarded in 2014 and may support services to children through 2016.

¹¹ This number represents the target children served 10/1/13-9/30/14 and does not include pregnant women who had not given birth by 10/1/13.

¹² Indiana did not use a significant portion of SSBG funds to support early learning.

¹³ For the 2014-15 school year, 32 LEAs used Title I funds to support preschool as of October 2014.

¹⁴ Indiana did not use a significant portion of these funds to support early learning.

¹⁵ Indiana did not use a significant portion of these funds to support early learning. 1 LEA used Title III funds to support preschool.

¹⁶ The Early Education Matching Grant was funded at \$2,000,000 per year in the 2015-17 budget.

¹⁷ The Pre-K Education Pilot was funded at \$10,000,000 per year in the 2015-17 budget.

Analysis of Early Childhood Funding Sources in Indiana

Funding Source	Early Learning Services Provided ⁴			Funding Amount	Children Served	Year
	Accessibility	Affordability	Quality			
State Match for CCDBG	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$33,379,835	N/A	2014
Head Start State Collaboration Office	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$43,730	N/A	2014
State Preschool Special Education Funding	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: No	\$35,244,000	N/A	2014
State Funding for First Steps	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$6,149,513	N/A	2014
State Match for Maternal and Child Health Block Grant (MCHBG)	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	Age 0-3: Yes Age 3-4: No	\$1,300,000	N/A	2014
State Subtotal:					\$82,228,140	
Local Funding						
City of Indianapolis	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: Yes	Age 0-3: No Age 3-4: No	\$4,200,000	700	2015
Local Subtotal:					\$4,200,000¹⁸	
Philanthropic Funding						
United Way Agencies	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$22,000,000 ¹⁹	N/A	2013
Private Foundations	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	\$14,304,865 ²⁰	N/A	2013
Philanthropy Subtotal:					\$36,304,865	

¹⁸ The city of Muncie contributed \$100,000 towards the Early Education Matching Grant (EEMG) program.

¹⁹ Indiana Association of United Ways member survey, May 2014.

²⁰ Indiana Philanthropic Alliance member survey, May 2014.

Analysis of Early Childhood Funding Sources in Indiana

Funding Source	Early Learning Services Provided ⁴			Funding Amount	Children Served	Year
	Accessibility	Affordability	Quality			
Private Funding						
Parent Private Pay	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: No Age 3-4: No	\$ 874,914,909. ²¹	92,402	2014
Employer Sponsored Programming	Age 0-3: Yes Age 3-4: Yes	Age 0-3: Yes Age 3-4: Yes	Age 0-3: No Age 3-4: No	N/A	9,867 ²²	2015
Private Subtotal:					\$874,914,909	
Early Learning Funding Total:					\$1,412,437,024	

²¹ Data provided by Indiana Association of Child Care Resource & Referral, April 2015.

²² There are 152 Employer Sponsored ECE programs. At this time we are unable to calculate the total amount that employers pay for employees to access care.

Early Learning Funding Definitions

Federal Funding Definitions

Child and Adult Care Food Program

In 2014, Indiana received approximately \$49.5 million in federal funding from the [Child and Adult Care Food Program \(CACFP\)](#). Through CACFP, more than 88,000 Hoosier children receive nutritious meals and snacks each day. Similar to CCDBG, CACFP support is available for children up through the age of 12. In Indiana, we are unable to determine how much funding was used to support young children (ages 0-5). Therefore, the funding amount and number of children served was not included in the subtotals.

CACFP provides nutritious meals and snacks to infants and children as a regular part of their early childhood education program. CACFP reimburses early childhood education programs at free, reduced-price, or paid rates for eligible meals and snacks served to enrolled children, targeting benefits to those children most in need.

Child Care and Development Block Grant Act of 2014

In 2014, Indiana received approximately \$117 million in federal funding from the [Child Care and Development Block Grant Act \(CCDBG\)](#) and also referred to as Child Care and Development Fund (CCDF). CCDF is a principal source of federal funding for child care subsidies for low-income, working families and is the principal source of federal funding for initiatives to improve the quality of child care in states. CCDF served approximately 41,994 Hoosier children ages 0-5 in 2014. In 2014, 6,286 children were eligible to receive a CCDF voucher but were waiting for funding to approve additional vouchers²³.

Early Head Start

Indiana has 25 Early Head Start grantees that received \$20.7 million in Early Head Start funding in 2014. The reauthorization of the Head Start Act in 1994 established Early Head Start as a program to serve infants and toddlers under the age of three and pregnant women. The U.S. Department of Health and Human Services awards Early Head Start grants directly to eligible organizations to administer the program. Early Head Start programs provide early, individualized child development and parent education services to low-income families. The program provides early learning opportunities for infant and toddlers with or without disabilities and connects families with other service providers at the local level to ensure that a comprehensive array of health, nutrition and other services are available to the families. According to the 2013-2014 Indiana Head Start Program Information Report, Indiana Early Head Start programs served 2,842 children ages 0-3 and 295 pregnant women.

²³ This number is based on calculating the average wait list as of the end of each month in the calendar year.

Head Start

Indiana has 37 Head Start grantees that received \$94.4 million in Head Start funding in 2014. Head Start is a federal program to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development through comprehensive early childhood education, health, nutrition, and parent involvement services. Ninety percent of children served in a Head Start program must be from families earning less than the poverty level. The U.S. Department of Health and Human Services awards Head Start grants directly to eligible organizations to administer the program. According to the 2013-2014 Indiana Head Start Program Information Report, Indiana Head Start programs served 15,324 children ages 3-5.

Early Head Start – Child Care Partnerships

In January of 2014, Congress appropriated \$500,000,000 to expand the number and quality of early learning slots for infants and toddlers through the [Early Head Start - Child Care Partnerships \(EHS-CCP\)](#) grants or new Early Head Start grants. The EHS-CCP is a new competitive grant opportunity to support the partnering of Early Head Start programs with early childhood education providers. Under EHS-CCP, new or existing Early Head Start grantees will partner with regulated center-based or family care providers who agree to meet the Head Start Program Performance Standards. The purpose of the grants is to allow local Early Head Start providers and their child care counterparts to leverage their funds to provide high quality, comprehensive early learning experiences to more infants and toddlers. Each partner will use funds directly as well as partner on activities such as training & technical assistance, management, and the delivery of comprehensive services. Many of Early Head Start comprehensive services, such as parent engagement activities, governance, management of advisory committees, or professional development training, may be provided through a central hub, if a grantee identifies this approach as appropriate to fit the community's needs.

Four organizations in Indiana received EHS-CCP grants in 2015: Early Learning Indiana in Marion County received \$1,700,000 to serve 88 children; the Elkhart and St. Joseph County Head Start Consortium received \$2,100,000 to serve 116 children; GEMINUS Corporation in Lake County received \$3,600,000 to serve 200 children; and Telamon Corporation, dba Transition Resources Corporation, in Muncie received \$1,700,000 to serve 114 children.

Individuals with Disabilities Education Act, Part B, Section 619

Indiana received an estimated \$8.3 million under Part B, Section 619 of the Federal Individuals with Disabilities Education Act (IDEA) in 2014, and is expected to receive approximately the same amount in 2015. Part B, Section 619 of IDEA, the [Special Education Preschool Grants Program](#) provides grants to states to make special education and related services available to children with disabilities, ages 3 through 5. The Preschool Grants program is available only to children with disabilities; it has no income requirement. Approximately 12,816 children were served in special education preschools across the state in 2014. Permitted expenditures include the salaries of special education teachers and costs associated with related services, including, but not limited to, speech-language pathology services, physical and occupational therapy, psychological services, parent counseling and training, and social work services in schools. States must distribute all grant funds that the State does not reserve for administration of the program to eligible LEAs.

Individuals with Disabilities Education Act, Part C

Indiana received \$8.7 million in 2014. [Part C of IDEA](#) authorizes federal funding to states for early intervention services for infants and toddlers with disabilities and their families. The [First Steps Early Intervention System](#) (First Steps) is Indiana's Part C Program under IDEA. First Steps is a family-centered, locally-based, coordinated system that provides early intervention services to infants and young children who are experiencing developmental delays and/or have a diagnosed condition that has a high probability of resulting in developmental delay. Historically, Part C in Indiana has served approximately 22,000 children ages 0 to 3 each year. First Steps does seek other funding such as TANF, Medicaid, private insurance and family fees as the program is not fully funded.

Maternal and Child Health Block Grant

Indiana received an estimated \$12.5 million for the Maternal and Child Health Block Grant (MCHBG) program in 2014 to serve approximately 161,160 children and women through providing funds to local organizations to implement or enhance prenatal care programs and services for children and youth with special health care needs. The Indiana State Department of Health (ISDH) administers the program. Enacted in 1935 as a part of the Social Security Act, the [Title V Maternal and Child Health Program](#) is the Nation's oldest Federal-State partnership. Title V converted to a State Block Grant Program in 1981.

There are two funding components of MCHBG. The first are formula grants to states, which are awarded to state health agencies on the basis of the amount awarded to states in 1981 for the individual programs consolidated into the MCHBG and the number of children in poverty in the state in relation to the total number of such children nationally. Funds allocated to states under the formula grants are available for two years. Second, there are also federal discretionary grants, which are awarded on a competitive basis to a variety of applicant organizations.

There are very few prohibitions on state use of MCHBG funds. However, the statute identifies several purposes for which the federal funds are to be used: (i) to assure access to quality maternal and child health care, especially for those with low incomes or limited availability of care; (ii) to reduce infant mortality; (iii) to provide rehabilitative services for blind and disabled children under the age of 16 who receive Supplemental Security Income; (iv) to provide access to pre- and postnatal care; (v) to provide and promote family-centered, community-based systems of coordinated care for children with special health needs; (vi) to increase the number of children receiving health assessments and diagnostic and treatment services; and (vii) to provide assistance in applying for Medicaid services.

Maternal, Infant, and Early Childhood Home Visiting Program

Indiana was awarded an estimated \$10.7 million for the [Maternal, Infant, and Early Childhood Home Visiting Program \(the Home Visiting Program \(MIECHV\)\)](#) in 2014. Through the MIECHV, Congress provided critical funding to expand the reach of voluntary, evidence-based home visiting services for expectant families and families with young children. Each State chooses the home visiting models that best meet the needs of its own at-risk communities, then supports local agencies in providing the home visiting services to families in their own communities. MIECHV supports pregnant women and families and helps at-risk parents of children from birth to kindergarten entry tap the resources

and hone the skills they need to raise children who are physically, socially and emotionally healthy and ready to learn. These evidence-based home visiting programs improve maternal and child health, prevent child abuse and neglect, encourage positive parenting, and promote child development and school readiness.

With this funding, 2,828 families in Grant, Elkhart, Marion, Lake, LaPorte, Scott, and St. Joseph counties received Healthy Families Indiana (HFI) and Nurse Family Partnership (NFP) home visiting services from October 1, 2013 to September 30, 2014. The number of families includes pregnant women that had not yet given birth prior to 10/1/2013.

Social Services Block Grant

Indiana received \$32.6 million in [Social Services Block Grant \(SSBG\)](#) funding in 2014. The Department of Child Services (DCS) manages SSBG. To the best of our knowledge, Indiana did not use a significant portion of SSBG funds to support early learning. In the past Indiana has used these funds to support early learning. In FY14, the Department of Child Services (DCS) used approximately \$50,000 toward Healthy Families Indiana (HFI). These funds were limited to supporting quality improvements to HFI's data system and were not used for direct service for children or families.

SSBG enables each state or territory to meet the needs of its residents through locally relevant social services. SSBG supports programs that allow communities to achieve or maintain economic self-sufficiency to prevent, reduce or eliminate dependency on social services. Each state has broad discretion to determine which services to provide and who is eligible to receive these services, although SSBG funds must be spent on programs and services for children or families with incomes below 200 percent of the poverty line. The same limitation on the use of funds for the provision of educational services generally provided by public schools that applies to TANF applies to SSBG funds.

Temporary Assistance for Needy Families

Indiana received \$207 million in [Temporary Assistance for Needy Families \(TANF\)](#) funds, of which, \$89,137,722 was allocated to support early learning programs. This includes \$22,497,989 to support the HFI program, which served 10,297 children ages 0-3; \$62,039,733 to the CCDBG program; and \$4,600,000 to provide childcare services for children of TANF IMPACT clients participating in applicant job search activities.

TANF is a program that provides cash assistance and supportive services to assist families with children under age 18, helping them achieve economic self-sufficiency. States receive a block grant of federal funds each year, and must meet an annual maintenance of effort (MOE) requirement (i.e., a requirement to spend a specified amount of state funds for benefits and services that meet the purposes of TANF for low-income families).

Similar to SSBG and MCBG, states have broad discretion to decide what services and benefits to offer and to set different eligibility standards for various types of benefits. States fund their TANF programs with a combination of Federal and State funds. Generally, a state may spend TANF funds one of two ways. First, the state can transfer funds to other block grants. Indiana transfers the

maximum (30%) of TANF funds to the state's CCDF program. Second, the state may use TANF or MOE funds in "any manner reasonably calculated" to accomplish the purposes of TANF.

Title I, Part A Grants to Local Educational Agencies

Indiana received \$259 million in Title I funds in 2014, of which, \$15 million was used to provide preschool services. For the 2014-2015 school year, 32 LEAs reported serving approximately 5,207 preschool students using [Title I funding](#).

[Title I, Part A](#) (Title I) of the Elementary and Secondary Education Act (ESEA), as amended, provides financial assistance to Local Educational Agencies (LEAs) and schools with high numbers or high percentages of children from low-income families to help ensure that all children meet state academic standards. Federal funds are currently allocated to LEAs through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state. LEAs target the Title I funds they receive to public schools with the highest percentages of children from low-income families. Schools enrolling at least 40 percent of children from low-income families are eligible to use Title I funds for school-wide programs designed to upgrade their entire educational programs to improve achievement for all students, particularly the lowest-achieving students. Unless a participating school is operating a school-wide program, the school must focus Title I services on children who are failing, or most at risk of failing, to meet State academic standards.

A LEA or school may use Title I funds to operate a preschool program consistent with Title I requirements. The U.S. Department of Education (USDOE) does not require LEAs to report the allocation of Title I dollars by age. As a result, there is not a formal process in place for IDOE to collect this data from LEAs and makes it difficult to track how many federal Title I dollars are used to provide preschool services in Indiana.

Title I, Part C Education of Migratory Children

Indiana received \$5.3 million in federal Title I, Part C funding for the [Migrant Education Program \(MEP\)](#). While there is no dedicated amount of funding for early childhood education, subgrantees have the ability to use the funding to support preschool. In Indiana, 322 migrant children received preschool services in 2014. However, we are unable to determine how much funding was used to support the preschool children.

The MEP provides formula grants to State educational agencies (SEAs) to establish and improve education programs for migratory children. These grants assist States in improving educational opportunities for migratory children to help them succeed in the regular school program, meet the same State academic content and student academic achievement standards that all children are expected to meet, and graduate from high school. Section 1304(b)(1) of the statute requires SEAs to ensure that they will identify and address the special educational needs of preschool migrant children. Therefore, SEAs may use MEP funds to provide educational activities for preschool-age children that qualify under the program.²⁴ Any SEA or LEA that operates a MEP preschool must evaluate the progress of migrant children who participate. In addition, preschool children who

²⁴ <http://www2.ed.gov/programs/mep/mepguidance2010.doc>.

received services under a MEP in the prior two years are automatically eligible to participate in a Title I preschool program.

Title III Language Instruction for Limited English Proficient and Immigrant Students

Indiana received \$8.4 million in [Title III: Language Instruction for Limited English Proficient \(LEP\) and Immigrant Students](#). While there is no dedicated amount of funding for early childhood education, subgrantees have the ability to use the funding to support preschool. As a result, one LEA used Title III funds to provide preschool services for 18 immigrant children in 2014. However, we are unable to determine how much funding was used to provide the preschool services.

The purpose of Title III: Language Instruction for Limited English Proficient (LEP) and Immigrant Students of the No Child Left Behind Act of 2001 is to help ensure that children who are limited English proficient, ages 3-21, attain English proficiency, develop high levels of academic attainment in English, and meet the same challenging State academic content and student academic achievement standards as all children are expected to meet. LEP students are eligible based on the presence of another language on the Home Language Survey (HLS) and the results of the English language proficiency assessment administered to every limited English proficient student in the state of Indiana. Although Title III funds may be used for preschool for eligible limited English proficient students, the majority of the funding is used for providing professional development for teachers of English learners and supplemental educational support for eligible LEP students. In 2014, one school district used Title III funds to support 18 children to attend preschool.

State Funding Definitions

State Match for Federal Programs

In addition to the two state preschool programs discussed below, Indiana provides state funds to support and/or expand some of the federal program funding previously identified. This includes:

- CCDF: \$33,379,835, which includes \$15,356,947 of state maintenance of effort (MOE) funds and \$18,022,888 in State matching funds.
- Head Start: \$43,730, which provides the state match for federal funding for the Indiana Head Start Collaboration Office.
- IDEA, Part C: \$6,149,513 of state MOE funds.
- MCHBG: \$1,300,000, which provides the required 30% state match. The match is acquired through a combination of state funds and local match from the grantees (Every grantee has a 30% match requirement).
- State Preschool Special Education: \$35,244,000 to provide services for students (ages 3-5) with special needs.

Early Education Matching Grant Program

In the 2013 legislative session, the Indiana General Assembly created the Early Education Matching Grant (EEMG) program by allocating \$2.1 million for two years, beginning in 2014. EEMG is a competitive grant program, to support four-year-old children from families whose incomes are at or

below 100% of the federal poverty level in attending high quality early childhood education programs that are rated level 3 or level 4 on Paths to QUALITY. EEMG is administered by the Early Learning Advisory Committee (ELAC) and FSSA Office of Early Childhood and Out of School Learning. Program grants are awarded directly to early childhood education providers. Applicants must also meet specific eligibility criteria, including a cash match requirement.

The initial round of grant awards was announced in April 2014, with 30 organizations from 15 different Indiana counties receiving funds totaling \$1,456,733.50 and serving approximately 500 children. Grants awards were effective July 1, 2014.

The second round of grant awards for the 2015-2016 school year will fund 21 early learning programs, located in 14 different Indiana counties. These 21 programs will be able to serve up to 540 children.

Healthy Families Indiana

In 2014, Indiana utilized \$1,260,575 of appropriated state funding to support [Healthy Families Indiana](#) (HFI) to serve 469 children ages 0-3. As noted under the TANF section, an additional \$22.5 million was used to support HFI and serve 10,297 children for a total of 10,766 children ages 0-3 served by Healthy Families. DCS administers HFI. HFI services are provided by [37 contracted agencies](#) and available in all 92 counties in Indiana.

Healthy Families is an evidence-based, voluntary home visiting model designed to provide services to families that begin prenatally, or at birth, through age five (currently in Indiana services are offered through age 3 due to funding restrictions). HFI is designed to promote healthy families and healthy children through a variety of services, including child development, access to health care and parent education.

On My Way Pre-K Pilot Grant Program

In the 2014 legislative session, the Indiana General Assembly created the Early Education Grant Pilot Program (also known as [On My Way Pre-K](#)). \$10 million for the program was appropriated from FSSA reversions. Between 10 – 50% of the funding for On My Way Pre-K must come from private or other sources. The legislation also appropriated \$1 million to be spent on a longitudinal study of students who participating in On My Way Pre-K versus a control group. Approximately 1,600 four-year olds enrolled in the five pilot counties for the 2015-2016 school year.

On My Way Pre-K will provide scholarships to eligible 4-year olds to attend high quality Pre-K programs in five pilot counties (Allen, Jackson, Lake, Marion, Vanderburgh). Eligible children are those who are from families whose income is at or below 127% of the federal poverty level. Eligible providers are: 1) public schools (including charter schools) and child care facilities who meet Level 3 or 4 Paths to QUALITY and 2) accredited nonpublic schools.

Local Funding Definitions

Indy Preschool Scholarship Program

In March 2015, the Indianapolis City-County Council approved \$4.2 million in funding to support the [Indy Preschool Scholarship Program](#) (Indy PSP) to provide free scholarships for children from low-income families to attend high quality preschools. Children between the ages of 3 and 4 who are from families living at or below 185% of the Federal Poverty Level may be eligible for an Indy PSP scholarship. First priority for the scholarships will be given to children from families living at or below 127% of the Federal Poverty Level. Selected families may choose to send their child to any of the approved high quality program providers that meet the state's On My Way Pre-K guidelines. The City anticipates serving approximately 700 3- and 4-year-old children in the Indy PSP. Indy PSP has been proposed as a 5-year plan, and the Council will review it annually for the next four years.

Philanthropic Funding Definitions

United Way Agencies

In a survey provided by the [Indiana Association of United Ways](#) to their members in May 2014, United Way agencies reported approximately \$22,000,000 annually is invested to support early education. United Way agencies across Indiana invest in early education birth to age 5, but tend to focus investments on preschool for children ages 3-5. In addition to financial support, United Way agencies support early education in their local communities through a variety of efforts, including roles in coordinating, convening, training, volunteer placement and recognition of quality.

Private, Family, Community and Corporate Foundations

Foundations support early learning programs and services in a variety of ways. An informal survey of members of [Indiana Philanthropy Alliance](#) was conducted in May 2014, asking members to report how much their foundations awarded in grants during 2013 in support of early learning programs or initiatives for children ages birth through age 8. Twenty-seven member organizations representing private, family, community and corporate foundations and corporate giving programs responded to the survey. A total of \$7.3 million in annual grant funding was reported from these 27 foundations. Detailed information about what was funded is not available; anecdotally some grants provided preschool scholarships for low-income families, but the larger support was for local organizations, programs and providers to build the capacity or quality within programs serving preschool-age children, such as improving curricula or supporting professional development for teachers; to support home visiting and similar programs to strengthen parenting skills; or for other innovative or ancillary services to help improve quality of life for young children and their families, such as providing high quality books for all preschool age children within the community.

In 2014, [Lilly Endowment](#) awarded two grants to improve the quality of early childhood programs across the state and expand access for young children who need it most. Some of the focus areas of the grant are improve quality of early childhood education programs, expanding the number of high quality early childhood education programs, supporting the early childhood workforce, engaging families and strengthening partnerships. [Early Learning Indiana](#) was awarded a \$20,000,000 grant to

support this work across the state. [United Way of Central Indiana](#) was awarded a \$2,500,000 grant to support this work in Marion County. The Lilly Endowment funding is a one-time grant to be used over a five-year period from 2014 - 2019.

Lastly, to support the implementation of the Early Education Matching Grant program, grantees are required to provide a 1:1 cash match of their allocated state grant award. For the first year of the program, approximately \$1.5 million was generated from the philanthropy community to support preschool programs implementation. \$1.7 million will be generated for the second year of EEMG program implementation.

Private Funding Definitions

Parent Private Pay

In Indiana, we acknowledge that the majority of families pay for early childhood education on their own. We estimate that 92,402 young children are in care paid for by their families resulting in an approximate amount of \$874,914,908.92 million. The amount of private pay funding was calculated by multiplying the number of children enrolled for each age group within each active provider by the weekly rate given by that provider for that age group, and then multiplying the resulting weekly values by 52 weeks. It is important to note that the amount that a family pays for care can vary based on the age of the child and type of provider selected (home, center, registered ministry, or school). For example, the highest cost for care is just under \$20,000 annually and the lowest cost of care is \$520.

It is important to note that several programs provide scholarships and/or sliding scales to lower the total cost of care. The number of families that receive a scholarship or sliding scale discount offered by the program is unknown as is the amount that is subsidized.

Employer-Sponsored Programs

In Indiana, we estimate that there are 152 employer-sponsored programs providing care for 9,867 of their employee's young children. At this time, we are unable to calculate the total amount that employers pay for employees to access care.