

Purpose

The ELAC Funding Streams Workgroup wanted to provide a brief and general overview of federal and state funding sources available for early childhood education including an overview of the program, a description of its flow of funds, total amount of program funding provided to Indiana, total number of children served with those funds, and a separate table with funding source eligibility information.

Definitions

Early Childhood Education (ECE): Referring to educational programs and strategies geared toward children from birth to age eight. This time period is widely considered the most vulnerable and crucial stage of a person's life and focuses on guiding children through play.

Children Who Need Care: These are children who are in need of care because all parents are working. This means if a child is in a two-parent household, then both parents are working. If a child is in a single-parent household, then the single parent is working.

Intended Use

To introduce federal and state funding sources available for ECE and the eligibility requirements of each in a quick and concise way. Additional data and resources may be found at elacindiana.org.

Data Sources

Data for this report came from the 2019 ELAC Annual Report. The funding programs come from different sources; so the reporting dates and years vary by what was provided by that program and are indicated under each name. (Abbreviations used: SFY = state fiscal year, FFY = federal fiscal year, SY = school year)

Recommendation

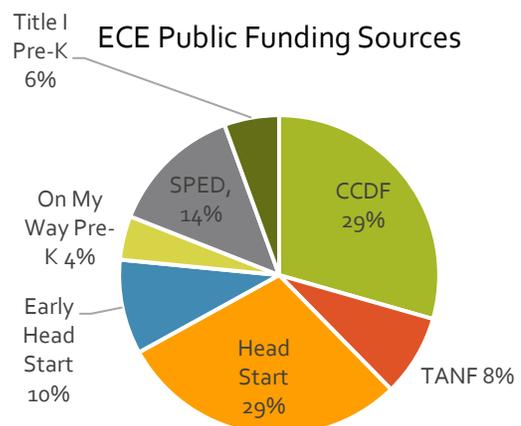
The Funding Streams Workgroup recommends that this overview document and accompanying funding tables be broadly shared with members of the Indiana General Assembly, the Governor's office, and other key stakeholders as a resource for developing funding policy for early childhood education.

Total Children Ages 0-5	506,257
Total Children Who Need Care	323,799
Total Children in Poverty (under 100% FPL)	122,215

Source: U.S. Census Bureau, 2016 American Community Survey 5-Year Estimates

Total Served by Public Funding 70,442*

*This is the total of children served by each funding source. It is not an unduplicated count and is therefore an overestimation (since a child may be served by more than one program).



Overview of Indiana Early Childhood Education Funding

OVERVIEW OF INDIANA	AMOUNT OF FUNDING ¹	NUMBER OF CHILDREN SERVED (AGES 0-5) ²	FLOW OF FUNDING	OVERVIEW OF PROGRAM
CCDF (SFY 2018)	\$95,374,758	20,039	Federal and state funds are distributed to the Family and Social Service Administration (FSSA) who administers CCDF under the Office of Early Childhood and Out of School Learning (OECOSL).	CCDBG is 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.
TANF (SFY 2018)	\$26,746,257	5,581	States receive a block grant of federal funds. These federal and additional state funds are administered by FSSA's Division of Family Resources. Indiana transfers a portion of TANF funds to the state's CCDF program.	Temporary Assistance for Needy Families (TANF) provides cash assistance and supportive services to assist families with children under age 18 to help low-income families achieve self-sufficiency. Child care services are available for recipients who work or are participating in Indiana Manpower Placement and Comprehensive Training (IMPACT).

¹ 2019 ELAC Report

² The number of children served by each funding stream is not an unduplicated number. A child may be included in more than one count because children can be eligible and/or served by funds from more than one program.

OVERVIEW OF INDIANA	AMOUNT OF FUNDING ¹	NUMBER OF CHILDREN SERVED (AGES 0-5) ²	FLOW OF FUNDING	OVERVIEW OF PROGRAM
ON MY WAY PRE-K (SY 2017-2018)	\$14,374,543 ³	2,327	State funds are administered through the FSSA Office of Early Childhood and Out-of-School Learning (OECOSL).	In the 2014 legislative session, the Indiana General Assembly created the Early Education Grant Pilot Program (also known as On My Way Pre-K). On My Way Pre-K provides scholarships to eligible 4-year olds to attend eligible high-quality pre-k programs in twenty pilot counties.
HEAD START (FFY 2017)	\$95,002,228 ⁴	11,926	Federal funds go directly to local Head Start grantees. No state agency administers or oversees the funding.	Head Start is a federal program providing comprehensive early childhood education, health, nutrition, and parent involvement services to promote the school readiness of low-income children by enhancing their cognitive, social, and emotional development.
EARLY HEAD START (FFY 2017)	\$30,997,510 ⁴	2,427	Federal funds go directly to local Early Head Start grantees. No state agency administers or oversees the funding.	Early Head Start (EHS) is an evidence-based, federally funded, and community-based program that provides comprehensive child and family development services to pregnant women and children under 3 years old in families with incomes below the poverty level. The mission of EHS is to support healthy prenatal outcomes and enhance the

³ With the expansion of On My Way Pre-K to 20 counties, additional financial support is being contributed by CCDF. The \$14 million attributed to OMW Pre-K includes funding from the former Early Education Matching Grant (EEMG) program and is actually two-thirds CCDF dollars (not added to CCDF's total funding amount) and a small percentage received from other public and private support as a community match.

⁴ Funding amounts for Head Start and Early Head Start for FFY 2017 were provided by the Indiana Head Start State Collaboration Office.

OVERVIEW OF INDIANA	AMOUNT OF FUNDING ¹	NUMBER OF CHILDREN SERVED (AGES 0-5) ²	FLOW OF FUNDING	OVERVIEW OF PROGRAM
SPED (SY 2017-2018)	\$44,572,284	21,400	Federal and state funds are distributed to the Indiana Department of Education (IDOE). IDOE administers the program and distributes grant funds to eligible school districts who then provide or coordinate the provision of services.	intellectual, social, and emotional development of infants and toddlers to promote later success in school and life. Under Part B, Section 619 of the Federal Individuals with Disabilities Education Act (IDEA), the Special Education Preschool (SPED) Grants Program provides grants to states to make special education and related services available to children with disabilities for ages 3 through 5.
TITLE I PRE-K (SY 2016-2017)	\$17,981,643	6,742	Federal funds are distributed to IDOE. IDOE administers the program and distributes grant funds to eligible school districts who then provide or coordinate the provision of services.	Title I, Part A of the Elementary and Secondary Education Act (ESEA), provides financial assistance to Local Educational Agencies (LEAs) and schools with high percentages of children from low-income families to help ensure that all children meet state academic standards. A LEA or school may use Title I funds to operate a preschool program consistent with Title I requirements.

Indiana Early Childhood Education Funding Eligibility Requirements

ELIGIBILITY	FAMILY INCOME (MAXIMUM)	PARENT WORK/SCHOOL REQUIREMENT	AGE	LENGTH OF ELIGIBILITY	OTHER CONSIDERATIONS	COMMENTS
CCDF	127% Federal Poverty Level	Yes	Under the age of 13 unless the child has a documented special need and is under the age of 18	One application that is reauthorized every year	Involved in TANF/IMPACT activity	
TANF	Family of 2 - \$471.75 gross monthly income (+\$120.25 for each additional member)	*	*	*	A family may not possess assets valued in excess of \$1,000 with the exception of a house.	*A TANF family participating in the IMPACT program may be eligible for a CCDF voucher if other CCDF requirements are met.
ON MY WAY PRE-K	127% Federal Poverty Level**	Yes	Age 4	1 year	<ol style="list-style-type: none"> 1. Child must be 4 but not yet 5 years old by August 1, 2018. 2. Child must be a resident of Indiana. 	** Family applications in Allen, Jackson, Lake, Marion and Vanderburgh counties will be accepted up to 185 percent FPL; however, all qualified families at or below

ELIGIBILITY	FAMILY INCOME (MAXIMUM)	PARENT WORK/SCHOOL REQUIREMENT	AGE	LENGTH OF ELIGIBILITY	OTHER CONSIDERATIONS	COMMENTS
					3. Must be living in one of the 20 pilot counties: Allen Bartholomew DeKalb Delaware Elkhart Floyd Grant Harrison Howard Jackson	127 percent who have applied must be enrolled first before families at higher income levels will be considered. Kosciusko Lake Madison Marion Marshall Monroe St. Joseph Tippecanoe Vanderburgh Vigo
HEAD START	100% Federal Poverty Level	No	Ages 3 or 4	One application provides funding for up to 2 years	Homeless, Receiving Public Assistance, Foster Children	Each local Head Start program uses the federal guidelines to create a point system to determine eligibility and prioritization. Additional local criteria may be considered.
EARLY HEAD START	100% Federal Poverty Level	No	Ages 6 weeks to 2 years		Homeless, Receiving Public Assistance, Foster Children	Each local Early Head Start program uses the federal guidelines to create a point system to determine eligibility and prioritization.

ELIGIBILITY	FAMILY INCOME (MAXIMUM)	PARENT WORK/SCHOOL REQUIREMENT	AGE	LENGTH OF ELIGIBILITY	OTHER CONSIDERATIONS	COMMENTS
						Additional local criteria may be considered.

ELIGIBILITY	OTHER CONSIDERATIONS	COMMENTS
SPED	Children with identified disabilities	The federal Office of Special Education Programs (OSEP) administers the formula grant program authorized by the Individuals with Disabilities Education Act (IDEA). The state is awarded an amount annually, which is then passed on to public school programs.
TITLE 1 PRE-K	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.	<p>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.</p> <p>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.</p>