



ELAC Recommendations are:

- Informed by best practice elsewhere or locally.
- Linked, if possible, directly to ELAC statutory responsibilities, and designate which one(s).
- Aligned with logic model strategies, outcomes, and/or 2020 big goal.
- Directed to appropriate audiences: a) recommendation to ELAC (not for final report) if it can be implemented by ELAC members directly or b) recommendation that ELAC approves for final report if it requires governor or legislative action.
- Type of recommendation: 1) Broad-based best practices – typically principles for system building; 2) Specific near-term recommendations that can be initiated within ELAC membership; or 3) Specific near-term recommendations that require Governor or legislative action.

Background/Process:

At the July 2018 ELAC meeting, appointed ELAC member Nicole Norvell shared that OECOSL was discussing how to assess the family-friendliness of the Office's current policies. She suggested that the Family Engagement workgroup might act as an external reviewer to help with this process. Nicole attended the workgroup's meeting in August 2018 and requested the workgroup's assistance in reviewing the CCDF enrollment process and policies. She shared that only half of families that apply for CCDF actually complete the intake and enrollment process. The goal of the workgroup's review was to answer the following questions:

- What are the barriers to successfully getting through the CCDF enrollment process?
- Where can OECOSL address these barriers in the family experience of the process? Which parts of the process are most difficult and challenging for families?
- What needs to change within the application format and language?

The workgroup's process included reviewing intake cover letters, enrollment documents, and working closely with CCDF Operations Manager, Carrie Gray, to obtain clarity on the enrollment process and access to existing data and policies relevant to the enrollment process.



Recommendation:

The Family Engagement workgroup proposes the following changes to the intake agencies' cover letters and the enrollment packet to make these documents more family friendly.

1. Formatting and Appearance
 - a. Decrease the phrases and sentences that are capitalized. Most of the letters had multiple capitalized sentences. This can make the reader feel like they are being yelled at.
 - b. Use bullet points when possible.
 - c. Consider the packaging of the packet (size and design of envelopes, etc.).
2. Language and Messaging
 - a. Follow Federal Plain Language guidelines.
 - b. Address the recipient by name, rather than saying "Dear CCDF applicant".
 - c. Make the letters more welcoming and exciting. (i.e. "Congratulations! You've been approved to receive funding for child care.").
 - d. Consider reading level and use language that is readable by, not average, but below-average readers.
 - e. Remove "failure"-related language and focus. The letters currently set a very strict and authoritative tone to the enrollment process.
 - f. Make the letters more supportive and welcoming. The current letters may be intimidating for families. For example, many of the intake agencies provide support, guidance and assistance in identifying and submitting eligibility documents, but that is not mentioned in their letter. Instead, families are told that if they don't show up with the required materials, they will not be seen.
 - g. Require more consistency across the intake agencies' letters so families across the state receive the same message. The section of the letters that discusses appointment details can be tailored by agency.
3. Additional information to Include
 - a. Explain plainly what a CCDF voucher is for families who may not be familiar with this terminology.
 - b. Explain more clearly what it means for a provider to be eligible for CCDF reimbursement.
 - c. Include a number for families to call, such as their local CCR&R, to discuss vacancies and provider options.



- d. List important information (resources, CCR&R contact information, etc.) early on, rather than at the end. The letters should prioritize this crucial and important information.
- e. Provide an overview for parents describing what to expect during their appointment (i.e. length of appointment, if can they bring their child, etc.).

4. Pilot New Letter

- a. Before making these recommended changes to all cover letters, we suggest creating a new letter prototype aligning with these recommendations. We then recommend piloting this new letter with a focus group or with one intake agency before promulgating state-wide.

The workgroup recommends exploring the following possible partnerships and collaborations that could potentially help increase the CCDF throughput rate.

1. We recommend that the Office support local offices to collaborate with other local front-line organizations who are connecting to families to determine effective practices/strategies that could transfer. For example, intake agencies could work with local WIC and SNAP staff to develop strategies that all agencies can use to engage families and connect them to needed programs and resources.
2. We recommend that the Office support local intake agencies to combine physical locations with other local offices whenever possible to create a “one stop shop” where families can get many of their needs met. Being in the same or neighboring physical space would better allow for programs and systems to complement each other and collaborate more effectively.

The workgroup proposes the following procedural recommendations to improve the enrollment process.

1. We recommend that the Office support any state level efforts to share data between public assistance programs for the purpose of not asking families to repeatedly provide income, insurance, and eligibility information to multiple agencies/programs. A perceived barrier for families is the lengthy list of required documents in the initial intake packet.
2. We recommend that intake agencies be willing to go to other locations to meet families (not homes, but other locations in communities). For example, an intake agency could



arrange for one of their staff to work from the local library or another social service agency one day a week. This could make a significant difference if intake agencies chose community locations that are on a bus line or in a more convenient location for families.

3. We recommend the Office integrate behavioral psychology and behavioral economics' practices into their operations. Regularly reviewing the enrollment policies and procedures from a behavioral economics and psychology of scarcity^{ii,iii} lens could improve the practice of continuous quality improvement.

The workgroup recommends the Office carry out the following additional information gathering activities, support local intake agencies in carrying out the following activities, or collaborate with another entity to do so. These activities are beyond the workgroup's current capacity and/or scope.

1. We recommend that the Office support local intake agencies to collaborate with organizations, such as WIC or Indiana Navigators, who serve similar families to connect with families who began, but did NOT complete the CCDF enrollment process. They could interview or conduct focus groups to learn more about why they did not complete the process (e.g., changes in circumstances and/or barriers). This would allow intake agencies to gather anecdotal data about families' frustrations and experiences with the process. If local intake agencies do not have the capacity to do this work; we recommend the Office hire a research entity to gather this data.
2. We recommend that the Office hire a research entity to convene focus groups and use surveys to gather additional information and insight into this issue. These methods could be used with ECE providers, families and/or intake agency staff to gather information about the family experience as well as assist in identifying best practices across intake agencies.
 - a. We specifically recommend interviewing or holding focus groups with intake agencies with high levels of successful enrollment and low levels of enrollment. After collecting this qualitative data, we suggest sending a survey to all intake agencies with specific questions regarding enrollment barriers, policies, procedures, and best practices.
3. We recommend engaging in rapid prototyping and experimenting to test changes to enrollment forms and letters. This process would involve quick and low-cost testing, beginning on a small scale. This testing could involve holding a focus group where



families or staff can view these forms and provide real time feedback before testing at one intake agency and eventually system wide.

Rationale:

These recommendations were formed after a review of the enrollment process and related documents, policies and data. Through this review, the workgroup identified potential barriers families face during the enrollment process. The workgroup considered these barriers from a behavioral economics perspective and identified the recommendations accordingly. The workgroup aimed to identify low-cost and realistic solutions that the Office and intake agencies could follow through on, with possible collaboration with outside entities and partners.

Communications Strategy:

Not Applicable

Full ELAC Committee Decision (including posting to ELAC website):

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- ⁱ Thaler, R. H., & Sunstein, C.R. (2009). *Nudge: Improving decisions about health, wealth, and happiness*. New York, NY: Penguin.
- ⁱⁱ Mullainathan, S., & Shafir, E. (2014). *Scarcity: The new science of having less and how it defines our lives*. New York, NY: Picador.
- ⁱⁱⁱ Novotney, A. (2014, February). *The psychology of scarcity*. Retrieved March 1, 2019, from <https://www.apa.org/monitor/2014/02/scarcity>.



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**Blending & Braiding Funding
Project Summary**

May 2019

Today's Goals

1. Review Project Background & Goals
2. Share Coaching Process & Learnings
3. Share System and Policy Recommendations
4. Answer Questions

Project Concept



- ELAC Funding Streams Workgroup
 - Most programs do not know about and maximize all funding streams
 - *Compelling Challenge:* How do we help programs better leverage and layer funding? Are there system and policy implications to be addressed?



Project Funding



- Early Learning Indiana
 - Wanted to learn more about the funding and business needs of programs
 - Wanted ideas for comprehensive system and policy change that could address those needs broadly and systematically
 - Contracted with Transform Consulting Group to support the work



PARTNERSHIPS
FOR EARLY LEARNERS

EARLY LEARNING INDIANA

Blending & Braiding Project Goals



1. Coaching: Help project participants meet financial goals.
1. System Building: Develop tools, frameworks, and trainings that can be shared with programs statewide.
1. Policy: Inform policy about opportunities and barriers to layering funding.





Financial Coaching

What does it take to help programs meet their financial goals?

SUCCESSES

- Implementing a new fee structure that would help a program break even while implementing a scholarship program for low-income families.
- Developing and revising parent and teacher handbooks to better communicate both financial and workplace policies.
- Developing and implementing data tracking systems to collect and monitor enrollment and staffing.
- Determining the use of new classrooms to support the needs of the community and sustain the program financially.
- Creating a financial dashboard to track and monitor key indicators.
- Helping a program afford to offer benefits for their staff.
- Assisting a program with marketing to increase their enrollment.
- Helping several programs seek philanthropic funding.



Progress of Programs

9 programs completed the **Financial Self-Assessment** before and after coaching

before coaching **38%** vs. after coaching **79%**

of programs' responses indicated either that they agreed or strongly agreed when asked if they had various best financial practices in place.



Common Program Challenges

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**BUSINESS
INFRASTRUCTURE**

**COMMUNICATION AND
MARKETING**

**DATA TRACKING
SYSTEMS**

**DEDICATED STAFF AND
TIME**

**FUNDRAISING
STRATEGIES**



Business Development Tools **TRANSFORM** — CONSULTING GROUP —

- **Categories of Tools for Programs**
 - Understanding Your Program's Finances
 - Increasing and Diversifying Your Funds
 - Marketing Your Program
- **Levels of Program Readiness Required for Use of Tools**
 - Beginner
 - Intermediate
 - Advanced



Business Development Tools

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Understanding Your Program's Finances

- ❑ Financial Self-Assessment and Action Plan
- ❑ Capacity and Enrollment Tracking
- ❑ Budget Projection for Homes
- ❑ Breakeven Tool for Business Planning
- ❑ Cash Flow Projection for Homes
- ❑ Cash Flow Analysis for Centers
- ❑ Financial Dashboard



Business Development Tools

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Increasing and Diversifying Your Funds

- ❑ Funding Sources Cheat Sheet
- ❑ Employer-Sponsored Toolkit
- ❑ Fund Development Toolkit



Marketing Your Program

- ❑ Tuition Scholarship Program Template
- ❑ Marketing and Outreach Toolkit





System-Level Supports

How can tools and resources be shared with programs across the state to strengthen the early childhood education system?

System-Level Supports



One program said:

“Any of these tools helps a program be more professional.”

Implementation of System-Level Supports



1. Implement within existing ECE system
 - Orientation Training I and II
 - Learning Management System trainings
 - Presentations at conferences
 - CCR&Rs, coaches, and specialists can connect programs to the tools and to external expert support

Implementation of System-Level Supports



2. Formalize partnerships with external experts

- Indiana Small Business Development Center
- Local Chambers of Commerce
- SCORE Mentor branches
- First Children's Finance
- Child Care Aware of America
- Alliance for Early Childhood Finance



Policy Recommendations

What state-level policy changes can improve funding for early childhood education?

Policy Recommendations



Two Overall Themes:

1. Improve communication and connection to resources
1. Modify state-level policies regarding public funding



Policy Recommendations

1. Increase participation in the Child and Adult Care Food Program (CACFP).
2. Designate more programs operating in high-need, low-income areas as Child Care and Development Fund (CCDF) Agreement Centers.
3. Restructure CCDF and On My Way Pre-K (OMW) reimbursement.
4. Modify regulations to provide continued student enrollment in OMW through summer up to kindergarten.
5. Modify OMW regulations to include the cost of transportation for students.
6. Promote the use of Title I funding to support ECE within school districts.
7. Increase braiding of special education funding (IDEA, Part B) with other funding sources.
8. Gather data to determine which program types have higher teacher turnover rates in Indiana in order to inform further policy changes.
9. Improve communication to programs about policy changes and the potential financial impact on programs.
10. Create an online hub for these and other tools and resources.

Questions



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Categorization of Blending & Braiding Funding Policy Recommendations

Policy Recommendation	Has Financial Implications for Programs	Requires NO Legislative Action	Requires NO Additional State Spending (<i>with potential to save state money</i>)	To Start, Requires Only Studying Issue	Short, Medium, Long-Term Implementation
1. CACFP Participation	✓	✓			Medium
2. More CCDF Agreement Centers	✓	✓	✓		Medium
3. CCDF/OMW Reimbursement	✓	✓	✓		Long
4. OMW Summer Enrollment	✓	✓		✓	Medium
5. OMW Transportation	✓			✓	Long
6. Title I Funding	✓	✓	✓		Short
7. SPED Funding	✓	✓	✓		Long
8. Teacher Turnover Rates	✓	✓		✓	Medium
9. Improved Policy Communication	✓	✓	✓		Short
10. Online Hub for Tools / Resources	✓	✓			Short
TOTAL	10	9	5	3	3 Short, 4 Medium, 3 Long

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.

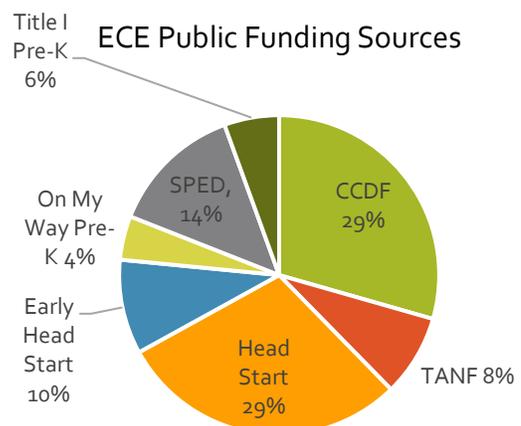
Data Sources

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 FUNDING¹	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																				
					<p>3. Must be living in one of the 20 pilot counties:</p> <table border="0"> <tr> <td>Allen</td> <td>Kosciusko</td> </tr> <tr> <td>Bartholomew</td> <td>Lake</td> </tr> <tr> <td>DeKalb</td> <td>Madison</td> </tr> <tr> <td>Delaware</td> <td>Marion</td> </tr> <tr> <td>Elkhart</td> <td>Marshall</td> </tr> <tr> <td>Floyd</td> <td>Monroe</td> </tr> <tr> <td>Grant</td> <td>St. Joseph</td> </tr> <tr> <td>Harrison</td> <td>Tippecanoe</td> </tr> <tr> <td>Howard</td> <td>Vanderburgh</td> </tr> <tr> <td>Jackson</td> <td>Vigo</td> </tr> </table>	Allen	Kosciusko	Bartholomew	Lake	DeKalb	Madison	Delaware	Marion	Elkhart	Marshall	Floyd	Monroe	Grant	St. Joseph	Harrison	Tippecanoe	Howard	Vanderburgh	Jackson	Vigo	127 percent who have applied must be enrolled first before families at higher income levels will be considered.
Allen	Kosciusko																									
Bartholomew	Lake																									
DeKalb	Madison																									
Delaware	Marion																									
Elkhart	Marshall																									
Floyd	Monroe																									
Grant	St. Joseph																									
Harrison	Tippecanoe																									
Howard	Vanderburgh																									
Jackson	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>