

Members

Rep. William Crawford, Chairperson
Rep. Mary Kay Budak
Sen. Connie Lawson
Sen. Rose Antich
Marcia Hearn-Lindsey
Carol Johnson
Nathan Samuel
Ellen Clippinger
Cheryl Seelig
Sven Schumacher
Kimberly Tracy Armstrong
Judith Ganser
James Hmurovich
Mara Snyder
Judy Nevins
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BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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MEETING MINUTES¹

Meeting Date: August 23, 2001
Meeting Time: 11:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 1

Members Present: Rep. William Crawford, Chairperson; Rep. Mary Kay Budak; Marcia Hearn-Lindsey; Carol Johnson; Nathan Samuel; Ellen Clippinger; Sven Schumacher; James Hmurovich; Mara Snyder; Judy Nevins; Sharon Pierce.

Members Absent: Sen. Connie Lawson; Sen. Rose Antich; Cheryl Seelig; Kimberly Tracy Armstrong; Judith Ganser.

The meeting was called to order by Rep. Crawford at 11:03 AM. Members of the Board introduced themselves. Rep. Crawford stated that he tentatively plans a total of six meetings, the two scheduled in August, two in September, and two in October with approval of the final report at the second meeting in October. The Board members agreed that a meeting time on Monday mornings at 11:00 AM is acceptable.

Update on Child Care Development Fund Program (CCDF) Vouchers

Jim Hmurovich, Director, Division of Family and Children (DFC), Family and Social Services Administration (FSSA), gave a general overview of state and federal welfare

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reform activities with regard to child care over the past six years in Indiana. Mr. Hmurovich described changing state perceptions of the importance of providing a means for parents to work and of the need to move from babysitting services to child care that provides child development activities.

Mr. Hmurovich stated that, prior to welfare reform, \$16 -18 million was spent by the state on child care per year. Currently, the state spends approximately \$240 million per year on child care. He noted that the three services that are necessary to assist parents in their employment are health care, child care, and transportation. Mr. Hmurovich described an increase in the quality and availability of licensed child care in Indiana during the previous six years. He informed the Board members that there are currently approximately 10,000 children on a waiting list for subsidized child care in Indiana. Mr. Hmurovich stated that the recent movement of DFC toward development of a central reimbursement office is intended to assist in cost effectiveness through economies of scale. He explained that centralized data availability, consistency, and cost savings are intended results with the money saved used for an increased number of subsidies to decrease the waiting list.

Mr. Hmurovich explained that DFC's recent involvement in the voucher payment process has provided a learning opportunity regarding the circumstances of payment processes and data collection and use. He expressed his belief that continued local involvement with intake and access is necessary, supported by a centralized system. Mr. Hmurovich said that negotiations are under way for a new study to assess the true cost of the system to ensure that local entities do not lose money in the performance of intake and assessment.

In response to questions from Rep. Crawford: (a) Mr. Hmurovich stated that federal law concerning the CCDF does not require that Step Ahead councils make decisions about voucher agent contracting, so the movement to a central reimbursement office is consistent with federal law; and (b) Carol Stein, Acting Deputy Director of the Bureau of Child Development, DFC, stated that Step Ahead will continue to be involved after implementation of a central reimbursement office payment method because of the importance of local guidance.

Rep. Crawford requested information from DFC comparing the voucher payment system before and after implementation of a central reimbursement office, including a breakdown of the amount of money available to each county over the past five years. In response to a question from Ms. Snyder concerning child care provider compliance with fire codes, Ms. Stein stated that there is financial assistance available for child care providers and for applicants for licensure to make non-structural changes to their facilities to achieve compliance with applicable laws. Mr. Hmurovich suggested that the DFC and the state Fire Marshal's office work together to obtain information from the Indiana Development Finance Authority regarding available funding and to provide consistent information to providers or applicants who need funding to achieve compliance.

Judy Monnier, Coordinator, Marion County Step Ahead, discussed the functions of Step Ahead with respect to child care. She stated that Step Ahead is supportive of a central reimbursement office concept, but has concerns such as: (a) the speed of the transition; (b) a resulting decrease in teamwork; (c) the weak financial situations of providers who may fail if voucher reimbursements are delayed; (d) a resulting decrease in the number of licensed providers; (e) a perceived resulting decrease in local control in determining whether providers meet minimum standards to participate in CCDF funding; (f) local Step Ahead councils' need for access to data so that the councils can work fruitfully at the local level; (g) a perceived delay in or lack of payment of quality funding; and (h) the need for the role of local Step Ahead councils to be defined.

In response to a question from Ms. Lindsey, Ms. Stein stated that, particularly until October 1, 2001 when Child Care Resource and Referral agencies will assess whether unlicensed providers meet the minimum standards required for CCDF funding, assistance from individuals who note problems would be helpful to DFC. There was general discussion regarding: (a) the effect on licensed providers of the availability of CCDF funding to unlicensed providers; (b) the need for the provision of information to parents so that they may make educated choices regarding child care; and (c) the difficulty of identifying providers who do not meet minimum standards, but are not receiving CCDF funding and are not otherwise connected to regulatory authorities.

The President of the Board for the Children's Coalition, Candes Shelton, who is also on the Marion County Step Ahead Council, expressed concerns about the transition to the central reimbursement office system including the need for: (a) a proposed implementation date for intake sites; (b) a system of pre-renewal evaluation of new providers that are determined eligible for CCDF funds during the transition period so that if there are problems with the provider, the problems can be remediated; (c) a need for standards for Step Ahead councils; and (d) the importance of recognizing that the effectiveness of local planning and control.

Rep. Crawford suggested that the role of Step Ahead councils be discussed at a future meeting of the Board, including membership and the criteria that must be met to become a CCDF provider. Rep. Budak expressed concern about methods of dissemination of information to parents concerning child care providers. Ms. Stein responded that information is currently available on the Internet, and through resource and referral agencies in each county. Ms. Lindsey stated that there is also information available from local offices of family and children, from child care centers, and through DFC's 800 telephone number. Ms. Clippinger expressed concern about the system creating an adversarial situation between licensed and license exempt providers. She stated that guidelines were previously developed to provide consistency among providers and that the guidelines have assisted in decreasing the acrimony.

There was general discussion concerning problems encountered by licensed providers, which lost clients when CCDF funds were made available to license exempt providers and relatives, and the subsequent loss of licensed providers when the minimum standards were imposed for CCDF funding. Rep. Crawford asked that DFC determine what "kinship" care is under the federal law, and whether there is state flexibility under the federal law to impose requirements for voucher funding on license exempt providers and relatives. Rep. Crawford requested information concerning child care licensure requirements in other states. Amy Brown, Legislative Liaison, DFC, stated that she would provide that information.

Betty Brewe, Director, LaPorte County and St. Joseph County Child Care Voucher Services Programs, described the spending patterns and intake patterns of her organization. She stated that: (a) their current waiting list is approximately 240 children; (b) new providers must meet all minimum standards prior to approval for CCDF funding; (c) there has been no reduction in the number of license exempt homes; and (d) late claims payment can be devastating to providers. She expressed concerns about the implementation of a central reimbursement office including: (a) potential for increased fraud if local involvement is lessened; (b) the need for assistance to license exempt providers, which has been provided by her organization; and (c) availability of evening and night child care. She stated that she believes that the system of state employees performing licensing is good.

In response a question from Rep. Budak, Ms. Brewe stated that fraud is difficult to identify

without local involvement. Mr. Hmurovich suggested that further education concerning DFC's 800 telephone number might be helpful so that everyone in the system is aware that DFC is available through that telephone number for assistance when fraud is suspected. Mr. Hmurovich stated that he has implemented a system for fraud investigation through which the local prosecutor's office investigates suspected fraud with DFC reimbursement. He also explained that certain incidences of fraud may be more efficiently detected with a central reimbursement office through coordination of central data systems.

There was general discussion concerning the minimum standards, contained in SEA 110-2001, that must be met by providers to be eligible for CCDF funding and concerning additional standards desired by local Step Ahead councils, including provisions for appeals of decisions. Rep. Crawford explained that to increase the minimum standards statutorily, strong local support must be conveyed to the General Assembly. Rep. Budak agreed.

With no further business to discuss, Rep. Crawford adjourned the meeting at approximately 12:50 PM.