

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
Sharon Pierce



BOARD FOR THE COORDINATION OF CHILD CARE REGULATION

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MEETING MINUTES¹

Meeting Date: September 10, 2001
Meeting Time: 10:00 A.M.
Meeting Place: State House, 200 W. Washington St., Room 404
Meeting City: Indianapolis, Indiana
Meeting Number: 3

Members Present: Rep. William Crawford, Chairperson; Rep. Mary Kay Budak; Sen. Connie Lawson; Sen. Rose Antich; Marcia Hearn-Lindsey; Carol Johnson; Nathan Samuel; Ellen Clippinger; Kimberly Tracy Armstrong; Judith Ganser; Mara Snyder; Judy Nevins; Sharon Pierce.

Members Absent: Cheryl Seelig; Sven Schumacher; James Hmurovich.

Rep. Crawford called the meeting to order at 11:05 AM.

Rep. Crawford informed the Board members that the next three meetings will be held at 10:00 AM on September 17, 2001, October 15, 2001, and October 22, 2001. The October 22, 2001, meeting will be held for approval of the final report and any recommended legislation.

¹ Exhibits and other materials referenced in these minutes can be inspected and copied in the Legislative Information Center in Room 230 of the State House in Indianapolis, Indiana. Requests for copies may be mailed to the Legislative Information Center, Legislative Services Agency, 200 West Washington Street, Indianapolis, IN 46204-2789. A fee of \$0.15 per page and mailing costs will be charged for copies. These minutes are also available on the Internet at the General Assembly homepage. The URL address of the General Assembly homepage is <http://www.ai.org/legislative/>. No fee is charged for viewing, downloading, or printing minutes from the Internet.

Role of Local Entities with a Central Reimbursement Office

Denise Jones, President, Marion County Step Ahead Council, described her concerns regarding the implementation of the central reimbursement office system of voucher payment. Ms. Jones stated that she would like to see a seamless transition from the system in which the local voucher agent is responsible for intake and eligibility assessment and payment for child care to the new system (in which a local entity is responsible for intake and eligibility assessment, and the central reimbursement office is responsible for payment for child care). She explained that good communication is imperative to ensure that children are receiving quality child care and that safety concerns are addressed. Ms. Jones stated that, currently, eligibility is determined and payments are made very efficiently, and that if the new system requires a 1 to 2 month wait for a determination of eligibility, or if payments are not made efficiently, quality child care providers will cease to provide the care. She stated that the Marion County Step Ahead Council currently acts as a resource for families and providers, and that she is unsure about the dependability of answers provided by local Step Ahead councils in the new system, especially if the state's toll-free telephone line is not answered consistently to provide the Step Ahead councils with resource information.

In response to questions from Rep. Crawford, Ms. Jones stated that the state assumed responsibility for the Marion County payment process on July 15, 2001, and that she is uncertain about the adequacy of the current flow of information to and from the state, especially with regard to verification that children for whom voucher payments are made are actually receiving child care from the providers that are being paid. Ms. Jones stated that Step Ahead Councils are not receiving information regarding whether voucher payments are being made to providers that have been determined not to be providing quality care. She expressed an understanding that many children are now being cared for by relatives, but stated that she is unsure about whether the relatives are appropriate care providers because there is currently a lack of verification, due to the transition.

In response to questions from Ms. Snyder, Ms. Jones stated that minimum standards are currently the only check on kinship care, and without verification, as described by Ms. Jones, it is unclear whether the minimum standards are being met. Ms. Jones explained that the Marion County Step Ahead Council has submitted for approval from the Division of Family and Children (DFC) 3 additional minimum standards to be applied for provider eligibility for voucher funding, but that DFC has not yet approved the standards. In response to a question from Sen. Antich, Ms. Jones stated that standards have been applied locally in the past. In response to a question from Rep. Crawford, Ms. Jones stated that people on the local level do not completely understand the details of the central reimbursement office system, though there have been many meetings with DFC personnel. She stated that the transition is occurring very rapidly and that is concerning to her. In response to a question from Ms. Armstrong, Ms. Jones stated that the Marion County Step Ahead Council was very involved in the development of minimum standards by the former voucher agent for Marion County and that the Step Ahead Council acted as a mediator for families, but that the Step Ahead Council is now unclear about its role as a mediator.

Ann Brooks, Co-Founder, Provider Link Association of Indiana, discussed several concerns regarding the impact of a central reimbursement office system on child care providers.² Ms. Brooks explained her concerns regarding : (a) the difference between private pay clients who typically pay for child care on a weekly basis, and clients whose

²A copy of Ms. Brooks' testimony is available in Exhibit 1.

child care is paid through the voucher system, which may require up to 30 - 34 days for reimbursement; (b) a central reimbursement office system which requires greater utilization of mail service and so may be less efficient than the current system in which reimbursement activities are carried on in person or through use of a drop box at a local location; (c) the lack of a personal link with the voucher agent in a central reimbursement office system; (d) the possibility of providers ceasing to provide child care that is paid through the voucher system; (e) the need for voucher agencies to have the authority to monitor child care providers for compliance with minimum standards; (f) the problem of fraud detection with less local involvement; and (g) the need for adequate compensation for local coordination and quality funding to assess each individual county's needs.

In response to questions from Rep. Crawford, Ms. Brooks stated that she favors an expansion of the minimum standards specified in SEA 110-2001, including an elevation of minimum standards with respect to safety and other quality concerns.

Ms. Lindsey provided an explanation of the enforcement of the minimum standards currently, and stated that enforcement is different from county to county depending on whether the voucher agent has been responsible for monitoring compliance with minimum standards in the past. She stated that some currently operating providers may not be monitored for compliance for up to one year, due to the transition.

In response to a question from Ms. Armstrong, Ms. Brooks stated that the current system of monitoring minimum standard compliance is being uprooted and that she fears that providers will cease participation in the voucher program and child care will be reduced in certain areas. Rep. Crawford acknowledged Ms. Brooks' concerns and stated that the Board will make recommendations to the administration and that the legislative members of the Board will introduce legislation if they determine that it is necessary. He acknowledged the importance of local involvement since each county has its own concerns.

Amy Brown, Legislative Liaison, DFC, provided a comparison of the current voucher program to a central reimbursement office system.³ Ms. Brown stated that she would provide other requested information for distribution to the Board members following this meeting.⁴ She expressed the hope that the Step Ahead Councils will play a role in determining intake agents for their county. She stated that the central reimbursement office will make biweekly reimbursements and that a claim form that is easy to use will be developed. She explained that some Step Ahead Councils are currently facilitating monitoring of minimum standards through use of quality funding and that contracts will be entered into with Child Care Resource and Referral agencies (CCRR) for monitoring as of October 1, 2001.

In response to questions from Sen. Lawson, Ms. Lindsey explained that, since each county has a CCRR, monitoring of compliance with minimum standards will be performed locally, but stated that larger counties which have more providers will need to increase staff to perform monitoring and that funding may be insufficient to meet this need. She stated that

³See Exhibit 2.

⁴The information provided by Ms. Brown and mailed to members of the Board on September 11, 2001, may be found in Exhibit 3 and includes: (a) a chart reflecting county specific CCDF contract awards and expenditures for fiscal year 1997 through fiscal year 2001 as of 8/31/01; (b) a chart reflecting county specific CCDF program waiting lists as of June, 2001; and (c) a summary of county minimum standards prior to SEA 110-2001.

current providers may not be monitored for up to one year as DFC assesses the best means of monitoring, which will create a gap in monitoring of compliance with minimum standards. Ms. Brown stated that Step Ahead Councils are expected to continue to be strong advocates for minimum standards on the local level, to recommend intake agents, and to participate in county planning teams convened by local offices of family and children.

Ms. Brown stated that DFC is conducting a third party analysis which will provide information in approximately 3 to 4 months regarding the sufficiency of the planned \$11.00 per family per month reimbursement level for intake and assessment. Rep. Crawford and Sen. Lawson recalled that interested parties have stated at previous meetings that the planned \$11.00 reimbursement level is insufficient.

Rep. Crawford asked Ms. Jones about the three minimum standards for which the Marion County Step Ahead Council had requested approval. Ms. Jones responded that requiring running water, drug testing, and Child Protective Services checks are the requested standards. Ms. Snyder suggested that the Board look at statutory language to facilitate development of minimum standards by local entities. There was discussion of a means of appeal for those impacted by such minimum standards. Staff suggested that if the Board recommends legislation concerning the minimum standards, that a means of administrative relief be included in the legislation to clarify this issue. Sen. Lawson and Ms. Brown described the history of SEA 110-2001 which provides consistency of minimum standards among counties. Ms. Brown stated that minimum standards were very inconsistent previous to SEA 110-2001. Rep. Crawford suggested that the next step might be to establish, by statute, parameters for development of minimum standards by local entities. There was discussion concerning funding required for enforcement of standards. There was general clarification that SEA 110-2001 specifies that no additional minimum standards may be applied to child care ministries without approval from the legislature or the DFC.

Rep. Crawford encouraged Board members to make suggestions for final report recommendations of the Board by October 15 so that any recommendations may be included in the final report.

In response to a question from Rep. Crawford, Janet Johnson, Deputy Director, Children's Services Community Action Program of Evansville, stated that her concerns regarding the role of local entities after implementation of a central reimbursement office system were basically stated earlier in the meeting. She encouraged the Board to look at the minimum standards, especially that running water and fencing be considered as additions to the minimum standards. She stated that a minimum standard of drug testing might be a problem in kinship care unless the standard is very specific regarding who must be tested. There was general discussion regarding kinship care and criminal history checks.

Rep. Crawford discussed the amount of funding that is being expended for child care currently (previously reported to be \$240 million per year) and asked Carole Stein, Acting Deputy Director of the Bureau of Child Development, DFC, about the number of children being served. Ms. Stein reported that approximately 50,000 children are currently in the CCDF program, and that the projected number of families on a waiting list for participation in the program is 10,000.

Rep. Budak addressed the issue that was raised during the August 27, 2001, meeting of the Board regarding inclusion of child care homes as "businesses" under restrictive covenants that prohibit businesses in neighborhoods. It had been suggested by an interested party that the Board consider supporting proposed legislation providing that a

restrictive covenant may not define a "business" to include a child care home for purposes of excluding businesses from neighborhoods. Staff raised the possibility that such a law might be challenged on a constitutional basis, particularly if applied to restrictive covenants that are currently in effect. There was general discussion regarding obtaining an Attorney General opinion on this issue.

Ms. Clippinger shared her interest in considering requirements for credentialing of providers of school age child care including children from kindergarten to 13 years of age. She mentioned certification/credentialing for providers of early childhood child care, stating that there is no such certification or credentialing for providers of school age child care. There was general discussion concerning credentialing of employees for licensure of child care providers.

Mr. Samuel raised the issue of the required qualifications of staff of child placing agencies for licensure of the agencies. He stated that the licensure requirements need to be current and seem out of date. Ms. Brown stated that she is aware of Mr. Samuel's concerns and will speak with him about those concerns.

Rep. Crawford stated that immunizations of children in child care settings, seclusion and restraint in child care settings, and kinship care will be issues for discussion in the next two Board meetings. Dr. Ganser stated that someone from the Indiana State Department of Health could report on developments with regard to an immunization registry at the next meeting.

With no further business to discuss, Rep. Crawford adjourned the meeting at 11:40 AM.