

**ANNUAL REPORT
OF THE
BOARD FOR THE COORDINATION OF
CHILD CARE REGULATION**



**Indiana Legislative Services Agency
200 W. Washington Street, Suite 301
Indianapolis, Indiana 46204**

November, 2001

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A copy of this report is available on the Internet. Reports, minutes, and notices are organized by committee. This report and other documents for this Committee can be accessed from the General Assembly Homepage at <http://www.state.in.us/legislative/>.

I. STATUTORY DIRECTIVE

The Indiana General Assembly enacted IC 12-17.2-3.1 directing the Board to study the laws governing the regulation of child care and make recommendations to the General Assembly concerning changes in the law the Board finds are appropriate. The Board's program of study includes a study of the following topics:

- (1) The need for changes in the scope and degree of child care regulation established by statute or rule, or both.
- (2) The need to reorganize governmental units involved in the regulation of child care facilities to promote effective and efficient child care regulation, including the form that a needed reorganization should take.
- (3) A method for the completion of a statewide needs assessment to determine the availability and projected need for safe and affordable child care.
- (4) The need for programs to meet the needs of Indiana residents if the Board determines that safe and affordable child care facilities are not available and easily accessible to Indiana residents.
- (5) The effect of pending and enacted federal legislation on child care in Indiana and the need for statutory changes to qualify for federal child care grants and to comply with federal child care requirements.
- (6) The immunization rates at licensed child care centers to determine if children at the centers have received age appropriate immunizations.

II. INTRODUCTION AND REASONS FOR STUDY

The Board met to study child care as outlined in IC 12-17.2-3.1-11. The Board originally expired on November 1, 1997. The Board was reestablished by P.L. 211-1999, beginning July 1, 1999 with an expiration date of November 1, 2001. During the 2001 legislative session, the General Assembly enacted P.L. 96-2001, extending the Board's expiration date from November 1, 2001, to November 1, 2004.

Additionally, P.L. 96-2001, Sec. 2., specified that the Board should study immunization rates at licensed child care centers to determine if children at the centers have received age appropriate immunizations.

III. SUMMARY OF WORK PROGRAM

The Board met six times during the 2001 interim.

First Meeting

The first meeting of the Board was held on August 23, 2001. The Board considered testimony updating activities related to the Child Care and Development Fund (CCDF) voucher program.

Second Meeting

The second meeting of the Board was held on August 27, 2001. The Board considered: (1) additional testimony concerning the CCDF voucher program; (2) testimony concerning playground equipment safety; and (3) testimony concerning quality of care provided in licensed and unlicensed child care

facilities.

Third Meeting

The third meeting of the Board was held on September 10, 2001. The Board considered testimony concerning the role of local entities after implementation of a central reimbursement office system of CCDF voucher reimbursement.

Fourth Meeting

The fourth meeting of the Board was held on September 17, 2001. The Board considered testimony concerning: (1) immunizations of children in child care settings; and (2) kinship care in relation to CCDF voucher funding.

Fifth Meeting

The fifth meeting of the Board was held on October 15, 2001. The Board reconsidered the issues that had been discussed at the first four meetings during the 2001 interim.

Sixth Meeting

The sixth meeting of the Board was held on October 22, 2001. The Board considered and approved proposed legislation and the final report of the Board.

IV. SUMMARY OF TESTIMONY

The Board heard testimony from representatives of the following groups:

- (1) Family and Social Services Administration (FSSA).
- (2) County Step Ahead councils.
- (3) Child Care and Development Fund voucher agents.
- (4) Indiana Youth Institute.
- (5) Indiana Community Action Association.
- (6) County resource and referral agencies.
- (7) Indiana Association for the Education of Young Children.
- (8) Parents.
- (9) Child care providers.
- (10) Indiana State Department of Health (ISDH).
- (11) Healthy Childcare, Indiana.
- (12) Purdue University Child Development and Family Studies Program

Activities Related to the Child Care and Development Fund (CCDF) Voucher Program

The Board heard testimony concerning the effect of welfare reform on child care in Indiana. The involvement of the Division of Family and Children (DFC) in the CCDF program was discussed, particularly with regard to the implementation of a central reimbursement office (CRO) system of CCDF voucher reimbursement. Issues considered included: (1) minimum standards for child care providers that receive voucher funds and monitoring for compliance; (2) involvement of Step Ahead councils and county

resource and referral agencies currently and after implementation of the CRO system; (3) speed of reimbursement; (4) importance of local insight; (5) continued existence of certain child care providers; (6) communication between the CRO and local entities; (7) quality of care provided; (8) reimbursement rates for services under the CRO system; and (9) relationships between licensed and unlicensed providers.

Playground Equipment Safety

Testimony was heard concerning administrative rules that are being proposed by FSSA to establish standards for playground equipment and funding that is available to assist licensed child care centers with compliance.

Quality of Care Provided in Child Care Facilities

The Board heard testimony and discussed issues including: (1) national guidelines for licensure of child care providers; (2) restrictive covenants that prohibit the provision of child care in certain neighborhoods; (3) child care provider quality in licensed and unlicensed settings; (4) consumer, law enforcement, and provider education; (5) minimum standards for child care providers; (6) reimbursement systems; (7) DFC efforts to provide educational resources to parents and providers; (8) consistency of minimum standards and licensure requirements among the various types of child care providers; (9) school aged child care; and (10) a request that FSSA personnel review licensure requirements for child placing agencies.

Role of Local Entities After Implementation of a Central Reimbursement Office

Testimony was given regarding: (1) transition from the current voucher agent reimbursement system to a CRO system; (2) importance of communication between DFC and local entities to assure quality care and safety; (3) efficiency of eligibility determinations and reimbursements under a CRO system; (4) the need for verification that minimum standards are being met by providers; (5) the potential for a decrease in quality child care providers if reimbursements are delayed; and (6) compensation for local coordination and quality funding under a CRO system.

Immunizations of Children in Child Care Settings

Information was presented concerning: (1) immunization rates of children cared for by child care providers, including questions about the completeness of the information; (2) a report regarding activities of the ISDH in establishing an immunization registry in Indiana; and (3) monitoring of immunization status of children attending child care centers.

Kinship Care in Relation to CCDF Voucher Funding

Testimony was given concerning: (1) Indiana's definition of "related" for purposes of child care regulation; (2) problems perceived by providers with regard to kinship care; (3) use of state funds for reimbursement of unregulated providers; (4) defining a legally license exempt child care provider; and (5) provider education and safety issues in child care settings.

V. COMMITTEE FINDINGS AND RECOMMENDATIONS

The Board made the following findings of fact and recommendations:

Activities Related to the Child Care and Development Fund (CCDF) Voucher Program

Minimum standards should be expanded and monitoring should be effective to ensure compliance by providers who are receiving CCDF reimbursement.

PD 3330 provides for additional standards that must be met for eligibility for CCDF reimbursement. The Board recommended additional provisions including: (1) that the ISDH determine immunizations that are "age appropriate"; (2) drug testing for "illegal controlled substances" and that a positive test result prohibits eligibility; (3) application of the fire safety provisions to child care providers that become eligible for voucher reimbursement after June 30, 2002; and (4) that: (a) if certain individuals connected with the provider's facility have had criminal charges filed, or an arrest warrant issued, against the individual based on child abuse or neglect; or (b) if a child has been found by a court to be a child in need of services based on a report of child abuse or neglect naming a certain individual connected with the provider's facility as the perpetrator; the provider is not eligible.

The Board approved PD 3330, as amended, for introduction during the 2002 session of the General Assembly.

Playground Equipment Safety

The Board will work, during the 2002 interim, to develop a formal strategic plan to prioritize child care safety issues that should be addressed by statute or administrative rule.

Quality of Care Provided in Child Care Facilities

There are various standards that apply to different types of child care facilities which probably allows for varying levels of quality within the child care system in Indiana. The Board does not meet frequently or consistently enough under the current statutory meeting schedule provisions to provide sufficient oversight of child care regulation in Indiana.

PD 3404 allows the Board and subcommittees of the Board to meet throughout the year and requires formation of a subcommittee of the Board to work with public and private entities over three years to develop revisions to the child care system. The Board requested that PD 3404 be amended to include a provision extending the Board through November 1, 2005.

The Board approved PD 3404, as amended, for introduction during the 2002 session of the General Assembly.

The Board recommends that FSSA refrain from adopting the proposed rule concerning regulation of child care centers (470 IAC 3-4.7, published in the September 1, 2001, Indiana Register) until after the Board is given an opportunity, during the 2002 interim, to review the proposed rule.

PD 3433 requires annual cardiopulmonary resuscitation certification for child care centers, child caring institutions, and for child care providers that receive CCDF reimbursement.

The Board approved PD 3433 for introduction during the 2002 session of the General Assembly.

The Board is concerned about the current regulation of child care ministries and will address those concerns during the 2002 interim.

Role of Local Entities After Implementation of a Central Reimbursement Office

The Board recommends that FSSA consider adopting administrative rules or issuing a nonrule policy document that clarifies the role of Step Ahead Councils and local entities with respect to the CCDF voucher program.

Immunizations of Children in Child Care Settings

Information reflecting a decrease in the percentage of children in child care settings who have received all age appropriate immunizations is of concern to the Board. Development of an immunization registry should assist in providing this information in a more consistent manner.

The Board supports the current efforts of the ISDH in development of an immunization registry and strongly encourages the: (1) ISDH to continue progress on the current timeline toward development and maintenance of the planned immunization registry; and (2) Health Finance Commission to adopt PD 3442 concerning the immunization data registry.

Kinship Care in Relation to CCDF Voucher Funding

The Board recognizes the importance of kinship care to children and believes that a balance can be achieved among the issues of: (1) child protection; (2) the relationship of children to relatives; and (3) the quality of child care; when children are cared for by relatives.

The Board sets, as a priority in Board activities during the 2002 interim, the achievement of a balance between the three issues in the approach to child care regulation.

WITNESS LIST

Rosellen Adams, Child Care Resource and Referral
Kathryn Azhar, Infant Daycare
Betty Brewe, LaPorte County & St. Joseph County Child Care Voucher Services Programs
Ann Brooks, Provider Link Association of Indiana
Amy Brown, Division of Family and Children, FSSA
Keith Carver, Division of Family and Children, FSSA
Patricia Cole, Healthy Child Care, Indiana
Roselyn Cole, Auntie Mame's Child Development Center, Inc.
Carolyn Dederer, Day Nursery
Lisa Freeman, Community Action of Northern Indiana
Wendy Gettlefinger, Children and Family Health Services, ISDH
Jim Hmurovich, Division of Family and Children, FSSA
Janet Johnson, Children's Services Community Action Program of Evansville
Denise Jones, Marion County Step Ahead Council
Mindy King, Indiana Youth Institute
Tamara Lehocky, Parent, Monticello, Indiana
Dreama Love, Purdue University Child Development and Family Studies Program
Lois Mason, Hansel Child Development Center, South Bend, Indiana
Judy Monnier, Marion County Step Ahead
Patricia Ryan, Indiana Association of Child Care Resource and Referral Agencies
Marsha Thompson, Indiana Association of Child Care Resource and Referral Agencies
Marlane Tisdale, Indiana Association for the Education of Young Children
Candes Shelton, Children's Coalition
Marilyn Solomon, Marion County Step Ahead Council
Carole Stein, Division of Family and Children, FSSA
Kathy Williams, Indiana Community Action Association
Todd and Natalie Wolfe, Parents, Indianapolis, Indiana